FOREIGN BROADCAST INFORMATION SERVICE

Daily Report

East Asia

FBIS-EAS-92-171
Wednesday
2 September 1992

Daily Report
East Asia

FBIS-EAS-92-171 *2 September 1992*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

NORTHEAST ASIA

Japan

Watanabe, Russia's Kozyrev Discuss Islands Issue *[Tokyo TV]* 1
Yeltsin 'Unlikely' To Offer Islands Return *[KYODO]* 1
Miyazawa on Yeltsin Visit, Public Funds to Banks *[KYODO]* 1
U.S. Commander, DA Head Cite Russian Concerns *[KYODO]* 2
Self-Defense Forces To Go to Cambodia 13, 14 Oct *[KYODO]* 3
House Speaker Sakurauchi Leaves for Bulgaria *[KYODO]* 3
Finance Minister Hata Approves of Yen's Rise *[KYODO]* 3
MITI Head: Yen High Enough Against Dollar *[KYODO]* 4
Yen 'Unlikely' To Rise Further Against Dollar *[KYODO]* 4
Faction To Urge Kanemaru To Retain Leadership *[KYODO]* 4
Kanemaru Reconsidering Resignation *[KYODO]* 4
1993 Budget Requests Total Over 77 Trillion Yen *[KYODO]* 5
1993 Defense Estimate Includes Okinawa Funding *[OKINAWA TIMES 29 Aug]* 5
GATT Chief Hints at Amendment of Proposal *[KYODO]* 6
Keidanren Head Supports Proposal on GATT Talks *[KYODO]* 6
Islanders Assured of Plutonium Ship's Safety *[KYODO]* 7

North Korea

U.S. Urged To Change 'Anachronistic' Thinking *[KCNA]* 7
Inspection of U.S. Bases 'Urgently Required' *[KCNA]* 8
U.S.-ROK War Exercises Termed 'Reckless' *[Pyongyang Radio]* 8
North, South Demand Renaming of Japanese Sea *[KCNA]* 10
Delegation From PRC's Liaoning Province Arrives *[KCNA]* 10
Cuban Ambassador Hosts Reception To Mark Ties *[KCNA]* 10
Third Women's Seminar Held on 'Peace in Asia' 10
Japanese Delegation Arrives *[KCNA]* 10
North Hosts Reception *[KCNA]* 10
Seminar Opens *[KCNA]* 11
Keynote Speech Made *[KCNA]* 11

South Korea

U.S., DPRK To Exchange Civilian Trade Missions *[HANGUK ILBO 1 Sep]* 12
DPRK Editorial Criticizes ROK-U.S. Ties *[YONHAP]* 12
DPRK May Accept Inspection of Nuclear Bases *[CHUNGANG ILBO 1 Sep]* 13
North Hosts Women's Seminar on 'Peace in Asia' 13
Women's Delegation Arrives *[YONHAP]* 13
Forum Opens *[YONHAP]* 14
Editorial Urges Consistent Policy With North *[KYONGHYANG SINMUN 31 Aug]* 14
Government To Aid Russia in Defense Transition *[YONHAP]* 15
No Tae-u Discusses Ties With PRC; Elections *[THE KOREA TIMES 2 Sep]* 15
Split With Taiwan Leaves 'Unpleasant Aftertaste' *[THE KOREA TIMES 1 Sep]* 16
Government To Grant Mongolia $5.2 Million Loan *[YONHAP]* 17
DP Opposes Plan To Put Infantry in UN Force *[YONHAP]* 17
Kim Yong-sam Promises Strong Presidency *[THE KOREA HERALD 29 Aug]* 17
Editorial on Budget 'War' Between Defense, EPB *[THE KOREA HERALD 1 Sep]* 18

SOUTHEAST ASIA

Burma

Minister, Delegation Depart for NAM Summit *[Rangoon TV]* 19
Opposition Protests Junta's Readmission to NAM *[AFP]* 19
Central Bank Licenses Thai Military Bank *[Rangoon International]* 19
Central Bank Allows Private Bank in Mandalay *[Rangoon International]* 19
Detainees Released From Jail 31 Aug *[Rangoon Radio]* 20

Brunei, Malaysia & Singapore

Malaysia

Minister Warns U.S. Against Non-Tariff Barriers *[NEW STRAITS TIMES 29 Aug]* 20
Mahathir Gives National Day Speech *[Kuala Lumpur Radio]* 20
Economy Grows 8.9 Percent in First Quarter *[NEW STRAITS TIMES 25 Aug]* 21

Cambodia

Ranariddh Accompanies Sihanouk at NAM Summit *[Radio VOK]* 22
Tie Banh Receives Japanese Envoy 29 Aug *[Phnom Penh Radio]* 22
Japan Rejects Khmer Rouge Proposals *[SPK]* 22
Akashi Asks KR To Curb Slurs in Broadcasts *[AFP]* 23
Son Sann Cites Viet Encroachment on Territory *[Radio VGNUFC]* 23
Phnom Penh Rejection of PDK Proposal Condemned *[Radio VGNUFC]* 24
KPNLF's Dien Del Stresses UN Peace Role *[Madrid ABC 26 Aug]* 25
Sihanouk, Son Sann Election Win Advocated *[Radio VOK]* 25
Sihanouk Grants Audience to Chea Sim 28 Aug *[Phnom Penh Radio]* 26
Sihanouk Addresses Volunteer Repatriate Refugees *[Phnom Penh Radio]* 26

Indonesia

PRC Construction Minister Urges Cooperation *[Jakarta Radio]* 27
Iranian President Hopes for Increased Cooperation *[ANTARA]* 27
Minister on France-Japan Plutonium Shipment *[Jakarta Radio]* 27
Egypt's Musa Delivers Mubarak Message to Suharto *[Cairo MENA]* 28

Laos

Kaysone Interviewed on Upcoming NAM Summit *[Vientiane Radio]* 28
Editorial on Opening of 10th NAM Summit *[Vientiane Radio]* 29

Philippines

Manila Willing To Renegotiate Treaty With U.S. *[MALAYA 2 Sep]* 30
Local Economists Comment on Effects of NAFTA *[MALAYA 22 Aug]* 31
Ramos Not To Suspend Offensive Against Rebels *[THE CHRONICLE 1 Sep]* 33
Government, Rebels Agree on Peace Negotiations *[Quezon City Radio]* 34

Thailand

Air Force, Ministries Vie for THAI Chairmanship *[THE NATION 31 Aug]* 34
Anan Intervenes To Settle Dispute *[BANGKOK POST 2 Sep]* 35
Anan Denies Conflict Over Military Reshuffle *[Bangkok TV]* 36

Vietnam

Hanoi Protests PRC Detention of Ships *[AFP]* 37
Rally To Mark National Day Held in Hanoi *[Hanoi International]* 37
Vo Van Kiet's Speech Reported *[VNA]* 38

NHAN DAN Editorial Cited *[VNA]* 39
Army Paper Praises All-Army Youth Congress *[Hanoi Radio]* 39

AUSTRALASIA

Australia

Fiji Prime Minister Rabuka Continues Visit 42
Meets Prime Minister, Defense Minister *[Melbourne International]* 42
Keating Cites 'Fully Normalized' Ties *[Melbourne International]* 42
Fiji Rejoins Patrol Program *[Melbourne International]* 42
S. Australian Premier Resigns Over Bank Rescue *[Melbourne International]* 42

Fiji

President Penaia Ganilau Rushed to Hospital *[Wellington Radio]* 42

Japan

Watanabe, Russia's Kozyrev Discuss Islands Issue

OW0109133292 Tokyo NHK General Television Network in Japanese 1000 GMT 1 Sep 92

[Text] Foreign Minister Michio Watanabe, visiting Moscow, held his first meeting with his Russian counterpart Andrey Kozyrev today, in advance of a meeting with President Yeltsin set for tomorrow. Regarding the question of northern territories, they confirmed that they should negotiate an agreement acceptable to both sides—based on the principle of law and order.

The meeting between the two foreign ministers took place in an annex of the Foreign Ministry for nearly two hours from 1600 Japan time [0700 GMT] today. At the beginning of the meeting, Mr. Kozyrev said the preparations for President Yeltsin's visit to Japan are at a crucial point. He said the time to talk for domestic purposes is over, and it is now time to begin constructive work to bring a new development to the Japanese-Russian relations.

Mr. Kozyrev's words indicated a positive attitude toward making Mr. Yelsin's visit to Japan a success.

On the territories question, Foreign Minister Watanabe in turn said that Japanese think it is only natural that the Japan-Soviet Joint Declaration of 1956 should be recognized. Hence, their concern is on the issue of which side should have sovereignty over Kunashiri and Etorofu. He said that even if the issue is not revolved at one time, if the principle that Japan should have sovereignty over all four islands is accepted, then conditions and timing can be flexible. Mr. Watanabe called on Russia to make a decision, saying that if an agreement is reached, then economic aid can be provided in a dynamic way.

Mr. Kozyrev responded that President Yeltsin is now thinking about how the territorial dispute can be resolved. In dealing with the territories issue, he said, Russia is starting from two points—the principle of law and justice and the principle of not recognizing Japan as a loser in the second world war.

Thus, on the territories question, Japan and Russia confirmed to each other that they should negotiate an agreement—acceptable to both countries and based on the principle of law and order.

Yeltsin 'Unlikely' To Offer Islands Return

OW0209034292 Tokyo KYODO in English 0318 GMT 2 Sep 92

[Text] Tokyo, Sept. 2 KYODO—Russian President Boris Yeltsin is highly unlikely to offer to return to Japan two of four disputed Russian-held islands off Hokkaido, an informed source said Wednesday.

During a September 13-16 visit to Japan, Yeltsin is also unlikely to accept Japan's demand that Russia recognize Japanese sovereignty over all four—Etorofu, Kunashiri, Shikotan, and the Habomai group of islets—said the source, who is well versed in Russo-Japanese relations.

Yeltsin cannot commit himself in Tokyo to return any of the islands because domestic opponents to such a move form a majority in Russia, the source said.

Instead, under strong pressure from opponents to the return of the Russian-held territories to Japan, Yeltsin will pledge only to make efforts toward settling the longstanding territorial issue, the source said.

Nationalistic elements are gaining strength in Russia amid its economic difficulties, the source said.

The Soviet Red Army seized the islands from Japan at the end of World War II. Japan demands a settlement of the territorial dispute as a condition for extending major economic assistance to Moscow.

In the 1956 Japan-Soviet Joint Declaration restoring bilateral diplomatic relations, Moscow promised to return the two smaller islands of Shikotan and the Habomais to Japan upon conclusion of a peace treaty.

But as Cold War tensions mounted, the Soviet Union retracted that promise after Japan revised security arrangements with the United States.

Japanese Prime Minister Kiichi Miyazawa and Foreign Minister Michio Watanabe repeatedly said Japan will be flexible in deciding when and how to take over the territories if Russia recognizes Japan's sovereignty over all four islands.

In a meeting with Watanabe in Moscow on Tuesday, Russian Foreign Minister Andrei Kozyrev was quoted as saying economic cooperation should be given priority in Yeltsin's talks in Tokyo.

Miyazawa on Yeltsin Visit, Public Funds to Banks

OW3008120292 Tokyo KYODO in English 1143 GMT 30 Aug 92

[Text] Karuizawa, Nagano Pref., Aug. 30 KYODO—Prime Minister Kiichi Miyazawa said Sunday the government will consider providing public funds for a proposed finance company to help banks dispose of land held as collateral for bad loans.

Apparently mindful of criticism over government assistance for banks, Miyazawa also told a ruling Liberal Democratic Party seminar that financial institutions should first make public details of bad loans.

His call echoed remarks made at the seminar earlier in the day by Finance Minister Tsutomu Hata, who said the Finance Ministry is preparing to disclose bad loans in September.

Miyazawa told the business executives attending the weekend seminar that rescuing financial institutions would serve the interests of all citizens.

The government unveiled Friday a 10.7 trillion yen economic package designed to revitalize the lagging economy.

The package calls for drafting this year measures to help banks dispose of land they hold as collateral on bad loans and a tax incentive for loan-loss write-offs.

Japanese financial institutions have been troubled by a steep fall in property prices, and their shaky situation has been seen as a threat to the stock market.

Friday's economic package helped boost the market, with the Nikkei Stock Index soaring 415.79 points to close at 17,970.79.

Devoting half of his hour-long speech to efforts to revive the economy, Miyazawa admitted he had regarded the economy as facing serious difficulties since early after taking office last November.

Turning the economy around will not be easy, Miyazawa said.

Over the past months, the prime minister consistently predicted the economy would pick up after excess inventories were pared down.

Touching on Russian President Boris Yeltsin's September 13-16 visit to Japan, Miyazawa reiterated Japan is prepared to extend major economic aid if Russia recognizes Tokyo's sovereignty over four disputed islands off Hokkaido.

Japan regards the 1855 Russo-Japanese treaty of amity, which stipulates the islands are part of Japan, as the foundation for Tokyo's demand for their return, Miyazawa said.

Earlier this month, Russian Vice Foreign Minister Georgiy Kunadze rejected the 1855 treaty in an interview with a Russian daily, saying his country would have to return the disputed islands if it recognizes the pact as valid.

Russia is seeking instead to resolve the dispute with a 1956 joint declaration between Japan and the Soviet Union, under which Moscow promised the return of the two smaller islands of Shikotan and the Habomai group when the two countries conclude a peace treaty.

The 1855 treaty drew the border between Etorofu, the northernmost of the four disputed islands, and Urup Island.

Etorofu, Kunashiri, Shikotan, and the Habomai group were all seized by the Soviet Union at the close of World War II.

Miyazawa said in the interim, Japan is happy to offer humanitarian and technical aid to its neighbor, including supplies needed to develop energy resources.

U.S. Commander, DA Head Cite Russian Concerns

OW3108082992 Tokyo KYODO in English 0749 GMT 31 Aug 92

[Text] Tokyo, Aug. 31 KYODO—Russian military forces are concerned over the possible return of four-Russian held islands to Japan, Charles R. Larson, commander-in-chief of the U.S. Pacific Command, told Defense Agency [DA] Chief Sohei Miyashita Monday.

In a meeting with Miyashita, Adm. Larson quoted senior Russian military officers as saying the return of the four islands off eastern Hokkaido would weaken Russia's security in the North Pacific, according to Defense Agency officials.

Larson visited Russian military forces in the far eastern region from mid-August until late this month for inspection, the officials said.

Larson said senior Russian officers are concerned that other countries having territorial disputes with Russia will become more serious if it should return the four islands to Japan. Russia has territorial disputes with China, Romania, Poland and other neighboring countries.

Japan has claimed the four islands—Kunashiri, Etorofu, Habomais and Shikotan—as its inherent territories, which the defunct Soviet Union and its successor Russia have occupied since the Red Army stormed in at the closing days of World War II.

In addition, Larson said Russia is concerned that the islands will block free passage of the Russian fleet from the Sea of Okhotsk to the Pacific Ocean, the officials said.

Referring to military capabilities of Russian forces in the far eastern region, Larson said Russia's response to enemy attack has been weakened.

He said, however, that Russian forces have the ability to recover quickly as they are well equipped with modern weapons.

Miyashita agreed with Larson on the military assessment of the far eastern Russian forces, saying Japan and the United States should carefully monitor moves of the Russian forces.

Miyashita said Japan will make a step-by-step approach on its military exchanges with Russia.

In a separate meeting, Larson and Chief Cabinet Secretary Koichi Kato agreed that a U.S. military presence in the Asia-Pacific is important for regional stability, a Foreign Ministry official said.

Citing Japan's decision to increase its financial support for U.S. forces stationed in this country, Kato said that the bilateral security treaty is extremely important for Japan.

Larson expressed appreciation for the additional support, the official said.

Japan pays 50 percent of the cost of hosting some 50,000 U.S. military personnel here, and plans to boost the share to 73 percent by 1995.

Self-Defense Forces To Go to Cambodia 13, 14 Oct

OW0209012092 Tokyo KYODO in English 0101 GMT 2 Sep 92

[Text] Tokyo, Sept. 2 KYODO—Japan will dispatch its main contingent of troops to Cambodia in two groups October 13 and 14 to join U.N. peacekeeping operations there, the MAINICHI SHIMBUN said Wednesday.

The 400-member team from the 4th Engineering Brigade of the Ground Self-Defense Force's central army are to leave Osaka on chartered civilian flights on those days.

They will form the main group of the 600 Self-Defense Forces (SDF) personnel planned to be sent to Cambodia.

The MAINICHI said 270 of some 300 vehicles will be sent by merchant ships from Kobe on September 24, October 7 and 9.

A first advance team with 30 members is to leave for Cambodia on September 23 from the Air Self-Defense Force's Komaki Base in Aichi Prefecture, with eight vehicles.

The second team of some 140 personnel is to leave the same base in two groups October 1 and 2, the mass circulation daily said.

The Japanese troops are expected to help repair bridges and roads south of Phnom Penh.

Meanwhile on Wednesday, government sources said 1,000 to 1,100 people—SDF troops, police, and civilians—will comprise Japan's Cambodian peacekeeping mission.

They said 600 Ground Self-Defense Force troops and 80 policemen will work in Cambodia, and 400 to 500 Maritime and Air Self-Defense Forces personnel will participate on transport ships and planes. SDF personnel will engage in cease-fire monitoring and civil engineering services in Cambodia.

All 1,000 to 1,100 troops will belong to the International Peace Cooperation Corps headed by Prime Minister Kiichi Miyazawa.

House Speaker Sakurauchi Leaves for Bulgaria

OW2808060292 Tokyo KYODO in English 0513 GMT 28 Aug 92

[Text] Tokyo, Aug. 28 KYODO—Yoshio Sakurauchi, speaker of the House of Representatives, left Tokyo Friday for Bulgaria for a four-day official visit.

Sakurauchi will visit Bulgaria from September 1 to 4 at the invitation of Stefan Savov, chairman of the Grand National Assembly.

He is to hold talks with Savov and Bulgarian Prime Minister Filip Dimitrov as well as other government leaders.

Sakurauchi will visit Britain and Hungary before entering Bulgaria and will return home September 5.

Finance Minister Hata Approves of Yen's Rise

OW0109030492 Tokyo KYODO in English 0205 GMT 1 Sep 92

[Text] Tokyo, Sept. 1 KYODO—Finance Minister Tsutomu Hata gave reserved approval Tuesday of the recent upswing of the yen, describing the currency's rise as gradual.

Hata told a press conference after a regular cabinet meeting the yen's appreciation against the dollar came from a favorable response to the government's recently announced fiscal stimulus package.

He said the continued weakness of the U.S. economy is also a factor behind the yen's climb.

The dollar dropped to the 122 yen level overnight in overseas markets in continuation of Monday's decline, following Japan's giant economic rescue package announced Friday.

While arguing any sharp rise of the yen will hurt businesses, exporters in particular, Hata said the movement is "gradual," suggesting he approves of the trend.

But he refused to say how far the Group of Seven major industrial nations will allow the dollar to fall against the yen.

Hata reiterated his skepticism toward public financing of the proposed agency to be established among financial institutions to buy land held by banks as collateral against nonperforming loans.

"They (banks) should first tackle the problems (of enormous bad loans) on their own," he said.

Prime Minister Kiichi Miyazawa indicated Sunday the government is ready to provide financing to the proposed institute, for which major Japanese banks aim to complete a plan by the end of the year.

Hata also said the extraordinary Diet session expected to be held in autumn to discuss a supplementary budget will not take place very soon.

Asked about remarks by Deputy Prime Minister and Foreign Minister Michio Watanabe on Monday the session will be delayed until November, Hata refused to give any time frame.

He said it will take some time to comprehend more exactly the tax revenue conditions for the current fiscal year, essential information for drafting a supplementary budget.

"We won't be able to do the job so soon," he said.

Hata said the delay in holding the extra Diet session will not have any significant negative effects on the government's fiscal stimulus package.

He said the package actually amounts to 12.2 trillion yen if the envisaged capital spending by Nippon Telegraph and Telephone Corp. and electric power companies is included.

The size of such a package is usually expressed including the capital investments of such semipublic companies, he said.

Hata said Japan will explain its fiscal package at the group of seven meeting expected before the annual gathering of the International Monetary Fund and World Bank later in September.

MITI Head: Yen High Enough Against Dollar

OW0109031092 Tokyo KYODO in English 0243 GMT 1 Sep 92

[Text] Tokyo, Sept. 1 KYODO—International Trade and Industry Minister Kozo Watanabe indicated Tuesday that Japan does not want the yen to rise further against the U.S. dollar on the foreign exchange market.

Watanabe told reporters after a cabinet meeting that the present level of 120 yen to 125 yen to the dollar is desirable.

The dollar opened at 122.95 yen in Tokyo interbank trading Tuesday, down 0.47 yen from Monday's close of 123.42 yen.

Watanabe also said the foreign exchange market was moving in the direction he had forecast, which indicates the government's economic stimulus package has been favorably received in Japan and overseas.

Economic Planning Agency Director General Takeshi Noda said in a separate press conference that he believes Japan's stock market has hit bottom and is poised for recovery.

Yen 'Unlikely' To Rise Further Against Dollar

OW0209054192 Tokyo KYODO in English 0425 GMT 2 Sep 92

[Text] Tokyo, Sept. 2 KYODO—A high-ranking Finance Ministry official said Wednesday the yen is unlikely to continue rising against the dollar.

"The yen's gain was just in line with the rising value of the German mark, which has been pushed up by higher interest rates in Germany," the official said on condition of anonymity. "It's hard to believe the Japanese currency would continue to advance autonomously."

In the Tokyo foreign exchange market, the dollar declined to 122.20 yen temporarily in the morning session.

The yen has been bought recently in the market due partly to the Japanese Government's announcement last Friday of a 10.7 trillion yen emergency economic package, the official said.

Faction To Urge Kanemaru To Retain Leadership

OW3108091792 Tokyo KYODO in English 0903 GMT 31 Aug 92

[Text] Tokyo, Aug. 31 KYODO—The largest faction of the ruling Liberal Democratic Party (LDP) agreed Monday to urge influential party member Shin Kanemaru to stay on as leader of the faction, said faction members.

The members of the faction founded by former prime minister Noboru Takeshita reached the agreement in an emergency meeting in Hakone, Kanagawa Prefecture.

Kanemaru, the strongest power broker in the ruling party, tendered his resignation Thursday as LDP vice president and faction leader after admitting he received 500 million yen in an unreported donation from Tokyo Sagawa Kyubin, a now defunct trucking company which is at the center of a huge loan scandal.

Prime Minister Kiichi Miyazawa, who is also LDP president, reluctantly accepted his resignation Friday.

Takeshita faction leaders, including former LDP secretary general Ichiro Ozawa, and other LDP leaders such as former prime minister Yasuhiro Nakasone, have been calling for Kanemaru to remain as chairman of the faction to prevent political confusion.

Ozawa is scheduled to meet Kanemaru soon to convey the faction's intentions and to persuade him to stay on in the post, the members said.

They said that while Kanemaru has indicated that he will not change his mind, he may ultimately withdraw his offer of resignation to avoid confusion in the faction.

Kanemaru Reconsidering Resignation

OW0209064192 Tokyo KYODO in English 0559 GMT 2 Sep 92

[Text] Tokyo, Sept. 2 KYODO—Liberal Democratic Party (LDP) power broker Shin Kanemaru indicated Wednesday he would remain as the head of the party's largest faction, LDP sources said.

Kanemaru told Ichiro Ozawa, former LDP secretary general, that he will reconsider his announced intention to resign as chairman of the faction founded by former Prime Minister Noboru Takeshita, the source said.

In a 10-minute meeting at Kanemaru's house, Ozawa was quoted as telling Kanemaru about the faction's seminar and meeting last weekend in Hakone, Kanagawa Prefecture, in which the members agreed to urge Kanemaru to stay on as its head.

Ozawa reportedly said he hopes Kanemaru will continue to give guidance as the chairman of the 105-member faction.

Kanemaru tendered his resignation last Thursday as LDP vice president and as leader of the Takeshita faction after admitting he received 500 million yen in an

unreported donation from Tokyo Sagawa Kyubin Co., a now-defunct trucking company at the center of a huge loan scandal.

Prime Minister Kiichi Miyazawa, who concurrently serves as LDP president, on the following day accepted Kanemara's resignation as LDP vice president.

Ozawa told reporters in front of Kanemaru's house Wednesday that he believes Kanemaru will "seriously accept" and consider the faction members' request that he stay on as chairman.

He added he will continue his efforts to persuade Kanemaru.

1993 Budget Requests Total Over 77 Trillion Yen

OW2908114692 Tokyo KYODO in English 1131 GMT 29 Aug 92

[Text] Tokyo, Aug. 29 KYODO—Budget requests of the government ministries and agencies for fiscal 1993 total some 77.44 trillion yen, up 7.2 percent from the original budget for the current fiscal year, a Finance Ministry source said Saturday.

The ministries and agencies are to submit the budget requests for fiscal 1993, beginning next April, by the end of this month.

The growth rate in the budget requests is smaller than last year's 8.3 percent but remains at a high level, the source said.

General expenditures for implementing policies—the general account minus debt servicing costs and tax allocations to local governments—are likely to top 40 trillion yen for the first time, reaching 40.55 trillion yen and growing 4.8 percent over the preceding year.

Government debt servicing costs are expected to grow 11.4 percent from the previous year to 18.33 trillion yen, accounting for about 25 percent of the general account budget.

The rise in debt servicing costs stems from massive redemption of government bonds, the balance of which is estimated to reach 174 trillion yen at the end of next March, the source said.

Tax grants to local governments will increase 9.4 percent to 17.26 trillion yen.

General expenditures for next fiscal year include 250 billion yen for improving the people's living conditions and 200 billion yen for public works. They also include 110 billion yen for a new program to study how Japan can become a "lifestyle superpower"—with a quality of life matching its national wealth.

The ministry is planning to trim the general account budget requests to the level of 74 trillion yen, according to the source. The ministry will announce a draft budget for fiscal 1993 in late December.

On the revenue side, the government may have to issue debt- financing bonds for the first time in four years, as tax revenues are likely to drop considerably next fiscal year due to the slowdown of the Japanese economy, some economists say.

On the spending side, the ministry will earmark 1.3 trillion yen for improving the nation's infrastructure utilizing the proceeds from sales of the government-held shares of Nippon Telegraph and Telephone Corp [NTT] in the past.

The government, however, has decided to forgo sales of NTT shares in both fiscal 1992 and 1993 in view of the prolonged stock market slump, and therefore, projects for infrastructure improvements may have to be financed by flotation of construction bonds, the source said.

Meanwhile, budget requests by the government ministries and agencies in the fiscal investment and loan program, often referred to as the "second budget," for fiscal 1993 are expected to total some 36.22 trillion yen, the source said.

The amount represents an increase of about 12 percent from the sum for the current fiscal year.

The program is mainly financed by postal savings funds and pension funds. The sum excludes the amount used by the Ministry of Posts and Telecommunication at its own discretion.

The Finance Ministry plans to use the program heavily in 1993, because it is now well funded because of a steady increase in postal savings.

Requests for the program's funds from agencies in charge of public works projects are expected to be 10 percent bigger than this fiscal year at 5.75 trillion yen. Other agencies and public corporations, including the Overseas Economic Cooperation Fund, are expected to ask for some 7.04 trillion yen, up 17 percent from the current fiscal year.

The Housing Loans Corp. will ask for a 6 percent increase to 6.9 trillion yen, and other public financial institutions will seek an 18 percent increase to 11.4 trillion yen, taking into account possible fund demands by small- and medium-sized companies and requests for money to improve the infrastructures.

Local public corporations will ask for 5.14 trillion yen, a 5 percent increase, from the program.

The Finance Ministry estimates the revenue for the program from postal savings at 10.4 trillion yen and that from pension funds at 7.4 trillion yen in fiscal 1993.

1993 Defense Estimate Includes Okinawa Funding

OW2908195792 Naha OKINAWA TIMES in Japanese 29 Aug 92 Morning Edition p 2

[Text] Tokyo—On 28 August the Defense Facilities Administration Agency [DFAA] completed its estimates

for the 1993 budget. The total estimate was 528,406 million yen, an increase of 8.7 percent over last year. Expenditures for Okinawa Prefecture, which took up 28.2 percent of the agency's budget demand, increased by 148,98 million yen, an increase of 5.7 percent over last year.

As far as military land fees were concerned, while the matter has been a point of concern for many, the amount was revealed to be 61,400 million yen, an increase of only 8 percent over last year; the Okinawa Federation of Military Landowners Association [FMLA] had asked for an increase of 18.2 percent.

In connection with the removal of the Naha Service Center (Seamen's Club)—on which site a prefecture-run gym will soon be constructed—10 million yen has been set aside for its survey.

As regards other expenditures related to the prefecture, procurement and labor management expenses grew by 23.6 percent to 39,785 million yen. What increased sharply were expenses to improve conditions for base workers, which increased by 24.6 percent to 38,519 million yen. This is because Japan has to bear 50 percent of the workers' base pay beginning next year. Under a special agreement, burden sharing for base pay started in 1991. Japan's share, which was initially 25 percent, will increase to 50 percent.

As for expenses related to facilities operations, rental fees were raised by 5.3 percent to 61,713 million yen. Of these, fees for military land rented from the Okinawa Prefecture FMLA were 61,400 million yen, an increase of 8 percent (4,500 million yen) over last year. Also set aside was a fund of 15 million yen to conduct studies on facilities rental fees.

With respect to measures to improve living conditions for people in areas adjacent to military bases, about 200 million yen was included for construction of a prefecture-run gym. Expenses to install sound-proof facilities on about 4,000 houses around Kadena and Futenma bases were also included in the budget demand, making this particular project total 83 billion yen.

Expenses to be provided to the U.S. Armed Forces for improving facilities decreased by 10.6 percent to 25,539 million yen. Projects to construct quarters (reinforced concrete-built four- storied buildings) on Futenma, a vehicle service plant on Camp Courtney, environment-related facilities on Kadena, and a sewerage system on Torii were included.

Meanwhile, as regards the Seamen's Club—which is to be removed under certain conditions—10 million yen was included to move the existing facilities. If the national government compiles its budget as demanded at the end of this year, it will become possible for the construction of the prefecture-run gym to begin in 1993.

GATT Chief Hints at Amendment of Proposal

OW0209080892 Tokyo KYODO in English 0647 GMT 2 Sep 92

[Text] Tokyo, Sept. 2 KYODO—General Agreement on Tariffs and Trade (GATT) Chief Arthur Dunkel on Wednesday hinted at a possibility of negotiations being held to amend his December proposal on ending the stalled Uruguay Round of trade talks.

Dunkel, director general of GATT, said in an interview with KYODO NEWS SERVICE, "I think there will be a fourth track," though adding, "I don't know when."

He suggested, however, that the purpose of the "fourth track" would be to bring into the present draft changes which meet the consensus of all participants.

Referring to Japan's position of rejecting comprehensive tariffication, Dunkel expressed concern over a possible "domino effect," saying that if one participant rejects tariffication outright, a second and a third party could do so.

Dunkel said his proposal would ask Japan in the case of rice to "open the possibility for imports. At least the possibility should exist."

He pointed out that the proposed tariffs for rice, even if reduced by 50 percent, would still remain so high that no import could take place.

"I don't understand why you are so pessimistic...You may apply zero tariffs, no quotas, and Japanese consumers will still eat only Japanese rice if it's good, if people like it, if it's well marketed," he said.

Makoto Tanabe, chairman of the Social Democratic Party (SDP), voiced strong opposition to Dunkel's proposal on agricultural issues when he met the GATT director general earlier in the day, party sources said.

Tanabe was quoted as saying, "unqualified acceptance of tariffication would lead to complete destruction of Japanese farming."

Dunkel responded that the content of his proposal is not so severe for Japan, according to the sources.

Far from that, Dunkel maintained that if this proposal collapses, Japan will be exposed to pressure from the United States and European nations, they said.

Keidanren Head Supports Proposal on GATT Talks

OW0109140692 Tokyo KYODO in English 1257 GMT 1 Sep 92

[Text] Tokyo, Sept. 1 KYODO—The head of Japan's most powerful business organization Tuesday gave support for proposals for the stalled global trade talks, which would lead to the opening of Japan's rice market.

Gaishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren), said in a meeting with

Arthur Dunkel, director general of the General Agreement on Tariffs and Trade (GATT), that the business lobby is "basically supportive" of Dunkel's proposals.

Dunkel's proposals, announced last December, include the call for countries to adopt "tariffication," which supports converting nontariff barriers on imported farm products into tariffs that are gradually reduced.

Japan opposes the idea in order to maintain its longstanding ban on importing rice, the country's staple food.

During talks with Hiraiwa, Dunkel urged Japan to accept the tariffication scheme, saying most participating countries in the GATT-sponsored talks have already approved the system.

In another meeting with Mitsugu Horiuchi, chairman of the Central Union of Agricultural Cooperatives (Zenchu), Dunkel repeated his call that Japan allow rice imports.

Dunkel assured the group that the tariffication system would not have a major impact on the Japanese market as the country's farmers believe.

He said the proposals would require Japan to import at least 3 percent of its domestic rice consumption in the initial year and 5 percent in later years.

Horiuchi, however, was persistent in his opposition against tariffication, arguing that allowing imports would be impossible at the present time as Japan controls rice production and that such importation would hurt domestic rice growers who help protect the environment.

Islanders Assured of Plutonium Ship's Safety

OW2808003092 Tokyo KYODO in English 2317 GMT 27 Aug 92

[Text] Washington, Aug. 27 KYODO—Japanese Prime Minister Kiichi Miyazawa has assured South Pacific island nations that Japan has adopted the "highest international safety and security standards" for its shipment of plutonium from Europe.

Miyazawa offered his assurance in a July 27 letter to the 15-nation South Pacific Forum, according to Greenpeace, an international environmental group.

Addressing concerns expressed by the South Pacific island countries on the plutonium shipment plan, Miyazawa said Japan is prepared to provide "necessary information and explanation" on the safety measures taken.

"The government of Japan will ensure that the shipment will be made in accordance with the highest international safety and security standards and in a manner which satisfactorily addresses all possible contingencies," Miyazawa said.

The plan, which involves shipping plutonium reprocessed in France and Britain from Japanese spent nuclear fuel, has raised concern among nations located along likely shipping routes.

The South Pacific Forum, in an annual meeting held on July 9 in the Solomon Islands, urged Japan to "fully" consult with its member countries regarding the shipment.

A Japanese-registered freighter, the Akatsuki Maru, left Japan on Monday en route to France for the first shipment.

The Japanese Government, which has assigned an armed escort ship to protect the cargo vessel, has not released details of the routes involved for security reasons.

North Korea

U.S. Urged To Change 'Anachronistic' Thinking

SK0209104492 Pyongyang KCNA in English 1025 GMT 2 Sep 92

["NODONG SINMUN Urges United States To Rectify Its Outdated Korean Policy"—KCNA headline]

[Text] Pyongyang September 2 (KCNA)—NODONG SINMUN in an article today notes that the Korean policy of the United States is based on the anachronistic mode of thinking, whereby it approaches the Korean problem from the position of strength with the old viewpoint of the cold war era and demands its rectification.

Stressing that the guarantee of peace on the Korean peninsula and achievement of the country's reunification is closely linked to the U.S. Korean policy, the author of the article says:

The changed situation today shows more clearly that the U.S. Korean policy is behind the times and does not accord with the interests of the American people.

The United States keeps hold on South Korea as a forward base to control other countries and seeks to seize the DPRK with strength by using it as a foothold.

That is why the United States still keeps its aggression forces in South Korea and continues to pursue its hostile policy against the DPRK today when the antagonistic relations between the East and the West have collapsed and the inter-Korean agreement and joint declaration on denuclearisation are in the stage of implementation.

Raising outcries over the fictitious "development of nuclear weapons" by the North, the United States is crying for "forcible inspection" and "sanctions" against the North, while introducing a huge amount of destruction weapons into South Korea and staging almost every day various kinds of military exercises to attack the North.

Such policy of the United States is aimed at installing a check-bar to the implementation of the North-South agreement, reversing the trend of detente on the Korean peninsula and continually laying obstacles in the way of Korea's reunification.

Unless the United States gives up this Korean policy, tension cannot be eased on the Korean peninsula nor can the peaceful reunification of Korea be achieved.

Being a party directly responsible for the Korean problem, the United States must support the reunification of Korea and take the road of guaranteeing peace on the Korean peninsula.

Then it will be welcomed by the world peaceloving people, stresses the article.

Inspection of U.S. Bases 'Urgently Required'

SK0209052292 Pyongyang KCNA in English 0446 GMT 2 Sep 92

["Positive Stance for Denuclearization"—KCNA headline]

[Text] Pyongyang September 2 (KCNA)—At the eighth meeting of the North-South Joint Nuclear Control Committee held on August 31 the sides approached a unanimity in principle on the title of the agreement for the implementation of the joint declaration on denuclearization. They reached a complete consensus or narrowed the difference on the chapter titles and 10 articles of the seven-chapter rules of inspection.

This means positive progress made in the work of the Joint Nuclear Control Committee which had long been deadlocked, says NODONG SINMUN today in a commentary entitled "Positive Stance for Denuclearization."

This progress is entirely a result of the positive stance and consistent, sincere efforts of the North side for the implementation of the joint declaration on denuclearization, the news analyst says, and goes on:

That day, our side, taking the South side's view into consideration, put forward an epochal proposal signifying a dramatic turn to begin discussion of the rules of inspection first on the premise that the draft of the agreement would be discussed when necessary.

Our side produced the draft rules of inspection signifying a dramatic turn, proposing to discuss the rules of inspection first, because the verification of the U.S. nuclear weapons and bases in South Korea was standing out more urgent than ever before.

The innocence of our peaceful nuclear policy has been confirmed through two rounds of irregular inspection by the International Atomic Energy Agency. What is urgently required for the present in solving the question of denuclearization on the Korean peninsula is to make an inspection of the U.S. nuclear weapons and bases.

Nevertheless, the South side that day came out empty-handed, letting out without hesitation provocative remarks against our side. They went so far as to defend the nuclear policy of the United States and the nuclear arming of Japan.

This proves that although the South side is loudmouthed about "denuclearization" and "inspection," it has, in actuality, no intention to work for denuclearization and, in the final analysis, the progress made at the meeting that day was a result of our side's strenuous efforts.

U.S.-ROK War Exercises Termed 'Reckless'

SK0209021192 Pyongyang Korean Central Broadcasting Network in Korean 0022 GMT 27 Aug 92

[NODONG SINMUN 27 August commentary: "A Dangerous Game of Playing With Fire Threatening Peace and Blocking Reunification"]

[Text] In defiance of strong public protests and denunciation at home and abroad, the U.S. imperialists and the South Korean authorities are now frantically conducting the Focus Lens joint military exercise across South Korea against us. This reckless war exercise, as it is being conducted precisely the same way as the Team Spirit joint military exercise was conducted, is aggravating tensions on the Korean peninsula to the extreme.

As is known, considering the grave consequences of the aggressive game of playing with fire called Focus Lens that is affecting the situation on the Korean peninsula and North-South relations as a whole, we have repeatedly demanded that the United States and the South Korean stop it.

Given the fact that the North-South agreement on reconciliation, nonaggression, and cooperation and exchange and the joint declaration on denuclearization have been adopted and put into effect and that talks and negotiations are under way for their implementation, the South Korean authorities should have abandoned this provocative war exercise against the other dialogue party as a matter of course. After making poor excuses that the Focus Lens joint military exercise is reduced in size in deference to South-North relations, that it is an annual exercise on the map for which no military troops have been mobilized, or that it has nothing to do with the project of exchanging the home-visiting groups, they have put the exercise in motion.

In every way, Focus Lens is a premeditated military action now in progress aimed at invading our Republic with the object of blocking the detente process on the Korean peninsula and of ruining North-South relations, which are developing for the better, as well as a grave challenge to our people and the peace-loving people of the world who hope for peace on the Korean pneinsula and its peaceful reunification.

Although U.S. and the South Korean authorities are employing all types of sophistry in a bid to justify the Focus Lens war exercise, they will never convince anyone under any circumstances. Their touting that the game of playing with fire called Focus Lens is an exercise on the map is in itself an expression of a guilty conscience.

The commitment of the North and South to nonaggression is a promise that they would not fight each other and is not a promise to conduct war exercises against the other side. Although it is called an exercise on the map, its danger is not diminished, not even a bit, because it is an occasion of discussing with outside force an attack operation, with arrows drawn on maps for a northward

invasion, thereby constituting an act of betrayal to the North-South agreement. If the South Korean authorities respect the agreement and hope for improving relations between the South and North, they should discontinue the war exercise rather than make poor excuses.

What is more, the Focus Lens joint military exercise is not merely a map exercise but an exercise in action aimed at a northward invasion. As has been exposed, when announcing the plan for the Focus Lens war exercise, the United States and the South Korean authorities advertised that it was filling the void caused by the suspension of the Team Spirit joint military exercise and that although the exercise has been conducted only on maps so far, this year it would be conducted as a largely expanded one, one for real fighting, with the mobilization of units in active service and ultramodern equipment. This is the same as indicating that the joint military exercise currently in motion is nothing but one for real fighting and that it is practically a Team Spirit war exercise in the guise of a different name.

In reality, the situation in South Korea surrounding the Focus Lens war exercise is further evidence. Participating in this war exercise are about 4,000 troops, including some from the continental United States, flown in from overseas bases, and 14,000 aggressive forces, including U.S. troops occupying South Korea, while tens of thousands of puppet troops have joined forces with them. Also mobilized in this war exercise are the ultramodern weapons that the United States used in the Gulf war, such as the F-117 Stealth fighter-bombers, airborne early warning aircraft, and Patriot missiles, and Blue Ridge, a flagship belonging to the U.S. Seventh Fleet, which is known as the commanding headquarters for all types of naval battles, including landing operations.

On 23 and 24 August, the U.S. imperialists and the South Korean puppets conducted joint aerial strike exercise against the northern half of the Republic and naval landing operations by mobilizing as many as about 1,200 military aircraft of various types and about 260 ships. Firing exercises are also being conducted endlessly in areas close to the Military Demarcation Line.

The Focus Lens war exercise is frantically being conducted in the air, on the ground, and at sea in South Korea, with specific bases on three continents, in South Korea, Germany, and the United States, linked to Washington in accordance with the U.S. imperialists' strategy, under the computer-aided uniform command.

The U.S.-South Korean Combined Forces Command has publicly babbled that the Focus Lens joint military exercise is characterized by a variety of new war technique that are going to be introduced to the exercise.

Is such a game of playing with fire called Focus Lens in which so many troops and such ultramodern operational equipment are being mobilized and even new war techniques being introduced a map exercise reduced in size? How brazen-faced those advertising this exercise as a map exercise are!

The United States and South Korean authorities cannot camouflage with anything the aggressive nature of Focus Lens, which is an extremely dangerous game of playing with fire designed to review the practicality of a plan for a war of northward invasion and to boost the operational capabilities for a war of northward attack.

The South Korean authorities' nonsense that the Focus Lens war exercise has nothing to do with the project of exchanging the home-visiting groups cannot be overlooked. This kind of act can be committed only by the turncoats and bellicose elements who, having never ridden themselves of confrontational posturing, plan to harm their fellow countrymen in cahoots with outside forces.

The exchange of home-visiting groups and the war exercise for northward invasion are not compatible under any circumstances.

In no sense can the South Korean authorities say they did not know that North-South talks arranged in the past after twists and turns have been suspended without success every time because of the Team Spirit war exercise being conducted year after year in South Korea. That they babbled about considering South-North relations when they started the current war exercise shows that they, too, were conscious of the grave consequences that the Focus Lens military exercise would have on the implementation of the agreement and the exchange of home-visiting groups. All told, they went ahead with this criminal game of playing with fire in a bid to break up the exchange of home-visiting groups.

It is no accident that the Japanese paper NIHON KEIZAI SHIMBUN, in saying that Focus Lens is a variant of Team Spirit that has always been an obstacle to South-North talks, commented that, in consideration of all points, the current military exercise seems destined to serve as an instrument to apply pressure to the DPRK.

The Focus Lens war exercise has once again revealed in full view to the whole world the true colors of the United States and the South Korean authorities, who disturb peace, who are chiefly responsible for aggravating tensions, and who have broken up North-South talks.

This game of playing with fire seriously threatens peace on the Korean peninsula and in Asia and has a grave impact on the whole range of North-South relations, which are developing for the better.

Not content with this, the United States and the South Korean authorities plan to conduct a provocative mobile field exercise beginning 1 September after the Focus Lens war exercise has ended.

We cannot overlook the fact that through their endless war exercise commotions, the United States and the South Korean authorities are maneuvering to reverse the situation on the Korean peninsula to the starting point of confrontation before the North-South agreement was adopted.

Now that the North and South have committed themselves to nonaggression, the United States has no justification whatsoever to commit any kind of military action along with the South Korean authorities against us and it only has the duty to leave South Korea, taking with it U.S. troops and weapons of mass destruction.

The United States and the South Korean authorities should discontinue the dangerous game of playing with fire which, running counter to the international trend of detente, strains the situation on the Korean peninsula and blocks the implementation of the North-South agreement, without delay.

If the United States and the South Korean authorities continue the war exercise despite our repeated warnings and keep aggravating tensions on the Korean peninsula even further, they will be made accountable for all the consequences.

North, South Demand Renaming of Japanese Sea

SK0209063492 Pyongyang KCNA in English 0521 GMT 2 Sep 92

[Text] Pyongyang September 2 (KCNA)—Delegates of the North and the South of Korea demanded renaming the "Japanese Sea" at the 6th U.N. Conference on the Standardization of Geographical Names held in the U.N. Headquarters on August 28, saying that it is wrong to call the sea between Korea and Japan the "Japanese Sea", according to a report.

At the conference, the delegate of the DPRK stressed that calling the sea the "Japanese Sea" is related with the past colonial rule, while the delegate of South Korea recalled that the sea is also named the Korea Sea in the Asia map made in Japan.

Delegation From PRC's Liaoning Province Arrives

SK2808233192 Pyongyang KCNA in English 2238 GMT 28 Aug 92

[Text] Pyongyang August 28 (KCNA)—A delegation of Dandong city, Liaoning Province, China, led by Wang Wenqian, secretary of the Dandong City Committee of the Communist Party of China, arrived here today by train.

It was met at Pyongyang Railway Station by Kim Chong-sik, deputy director of the General Bureau of joint-venture industry, and an official of the Chinese Embassy here.

Cuban Ambassador Hosts Reception To Mark Ties

SK0109060492 Pyongyang KCNA in English 0452 GMT 1 Sep 92

[Text] Pyongyang September 1 (KCNA)—Cuban Ambassador to Korea Juan Jose Leon Vega hosted a reception at his embassy on August 31 on the occasion of the 32nd anniversary of the opening of diplomatic relations between the Democratic People's Republic of Korea and the Republic of Cuba.

Invited there were first vice-minister of foreign affairs Kang Sok-chu and other officials concerned.

Speeches were made at the reception.

Third Women's Seminar Held on 'Peace in Asia'

Japanese Delegation Arrives

SK0109151092 Pyongyang KCNA in English 1500 GMT 1 Sep 92

[Text] Pyongyang September 1 (KCNA)—A Japanese women's delegation including Mutsoko Miki, chairperson of the Association of Friendship Among Asian Women, and Sumiko Shimizu, Socialist member of the House of Councillors and secretary general of the Liaison Council of Japanese women for solidarity with Korean women, arrived here today to participate in the third seminar on "peace in Asia and the role of women".

It was met at the airport by officials concerned.

Meanwhile, Korean women in Japan including Kim Yong-ae, vice-chairperson of the Democratic Union of Korean Women in Japan, and Korean women in the Americas, Europe, China and the Commonwealth of Independent States arrived here to attend the seminar.

North Hosts Reception

SK0209052092 Pyongyang KCNA in English 0435 GMT 2 Sep 92

[Text] Pyongyang September 2 (KCNA)—The North side's preparatory committee hosted a reception at the Mongnan House Tuesday [1 September] evening for the delegations to the third seminar on "Peace in Asia and the Role of Women".

Invited there were the members of the women's delegation of the South side led by Yi U-chong, former vice-chairperson of the South Korean Council of Christian Churches and Democratic "assemblyman", the members of the Japanese women's delegation including Mutsuko Miki, chairperson of the Association of Friendship Among Asian Women, and Sumiko Shimizu, Socialist member of the House of Councillors and secretary general of the Liaison Council of Japanese Women for Solidarity With Korean Women, and overseas Korean women.

Present there were the members of the North side's delegation led by Yo Yon-Ku, Presidium member of the Central Committee [C.C.] of the Democratic Front for the Reunification of the Fatherland and permanent member of the C.C., the Korean Democratic Women's Union, and officials concerned.

Head of the North side's delegation Yo Yon-Ku said in her speech:

When the question of the seminar on "Peace in Asia and the Role of Women" was raised one year and a half ago, there was a doubt as to whether a concensus would be easily reached, or not, on the matters of the agenda. But,

the moment we met, we could get reconciled and friendly as fellow countrymen and friends, dispelling misunderstanding and distrust they had harboured and, furthermore, could share the will to join hands on the road of accomplishing the common cause.

It is a good thing that struggle for peace in Asia and reunification of Korea was waged in the North and South of Korea and overseas and in Japan up to now. From now on we should develop to a higher stage our movement with the clear common goal and action program.

She expressed the hope that the current Pyongyang seminar would greatly contribute to developing to a higher stage the joint efforts of the Korean women in the North, the South and overseas and the Japanese women to achieve peace in Asia and reunification of Korea as well as to get a clear apology and adequate compensation from the Japanese Government for aggression and domination over Korea.

Mutsuko Miki, a delegate of the Japanese side, called upon women to make efforts for peace in Asia and the rest of the world and for a good fruition of the seminar.

Head of the South side's delegation Yi U-chong said that it took her delegation a little more than two hours to come to Pyongyang from Panmunjom, but it had to make a difficult journey of 47 years to this near place.

She said the women in the South and the North should build a land where they would live together by working in perfect accord.

Seminar Opens

SK0209044892 Pyongyang KCNA in English
0422 GMT 2 Sep 92

[Text] Pyongyang September 2 (KCNA)—The third seminar on "Peace in Asia and the Role of Women" was opened at the People's Palace of Culture here this morning.

It is attended by the women's delegation of the North side led by Yo Yon-Ku, Presidium member of the C.C. [Central Committee], the Democratic Front for the Reunification of the Fatherland and permanent member of the C.C., the Korean Democratic Women's Union, the women's delegation of the South side led by Yi U-chong, former vice-chairperson of the South Korean Council of Christian Churches and Democratic member of the "National Assembly", and the Japanese women's delegation including Mutsuko Miki, chairwoman of the Association of Friendship of Asian Women, and Sumiko Shimizu, Japan Socialist member of the House of Councillors, and general secretary of the Liaison Council of Japanese Women for Solidarity With Korean Women.

The Pyongyang seminar which has been convened following the Tokyo and Seoul seminars will discuss the agenda—first "The Great Unity of the Nation and the Role of Women", second "Japanese Imperialists' Invasion and Domination of Korea and Postwar Reparation" and third "Creation of Peace and the Role of Women".

Keynote Speech Made

SK0209065492 Pyongyang KCNA in English
0524 GMT 2 Sep 92

[Text] Pyongyang September 2 (KCNA)—Dr. and Prof. Kang Chun-kum of the Academy of Social Sciences delivered a keynote report on the theme of "Great National Unity and the Role of Women", the first agenda item, on behalf of the North side at the third seminar on "Peace in Asia and the Role of Women" held here today, she said that to achieve the great national unity is an urgent and important matter related to the existence of our nation.

In the course of living like aliens, secluded from each other, for 47 years since the country was divided by outside forces, tendencies of mutual misunderstanding and distrust have appeared within our nation unfortunately and, worse still, they have gone the length of hostility although they are fellow countrymen of the same blood, she added.

Under such conditions, she stated, to achieve the great unity of the whole nation has become an urgent and vital question in our country to put an end to the long-standing division of the country and achieve the reunification of the country.

Pointing out that great national unity is inseparably connected with the reunification of the country, she said:

A new phase has been opened for the great national unity with the adoption and effectuation of the documents of the historical North-South agreement between the North and the South.

Touching on the tasks facing the Korean women for the great national unity at present, she noted:

The driving force of reunification is our 70 million nation and our women must take the lead in achieving the great national unity since they account for a half of it.

In order to achieve the great national unity, our women must, firstly, subordinate everything to the reunification of the country, the common cause of the nation, all transcending the differences in ideas, ideology, political views and religious beliefs whether they live in the North or in the South or abroad.

National reunification is the most urgent national task the solution of which brooks no further delay, a supreme task directly related to the rise and the fall of the nation.

Hence, everyone who loves our nation and wants to live as its member must unite and turn out as one in the struggle to accelerate the reunification of the country, whatever idea, ideology, political view and religious belief he or she may espouse.

Secondly, the women in the North and the South must jointly work to remove the factors of obstacles that stand in the way of the reconciliation and unity of the nation, in accordance with the spirit of the North-South agreement.

Smooth implementation of the agreement cannot be expected, nor can the great national unity be achieved while fellow countrymen of the same blood remain hostile to each other for the mere reason that they differ in their ideas and ideologies, imprisoning and punishing their fellow countrymen for discussing reunification with compatriots and trying to prevail over their fellow countrymen.

Our women must rise as one in the struggle to dismantle the anti-national, anti-reunification legal and institutional devices of the era of confrontation that regard the fellow countrymen as the enemy and to call a halt to the dangerous war exercises targeted against the fellow countrymen.

Thirdly, the women in the North, South and overseas must frequently meet with each other.

We hold that the women in the North and the South should meet individually or collectively with each other and frequently meet in the form of seminar or official talks to discuss the questions of accelerating the national unity and the reunification of the country.

Fourthly, what is important in achieving the great national unity at present is to form a joint women's organisation involving women's organisations active in the North, South and overseas.

To form a unified organisation involving all the women's organisations in the North, South and overseas can be said to be a matured demend.

In the name of the North side women's delegation, Kang Chun-kum proposed to form such a joint organisation as the "council of women's organisations for the national reunification" (tentative name), a consultative body of women's organisations in the North, South and overseas for the reunification of the country and great national unity.

Our women must try their hardest, conscious of their heavy responsibility and obligation before the times and the nation, rising as one in the patriotic struggle to promote national unity and accelerate the reunification of the country.

South Korea

U.S., DPRK To Exchange Civilian Trade Missions

SK0109022492 Seoul HANGUK ILBO in Korean 1 Sep 92 p 1

[Text] It was learned on 31 August that there is a great possibility that the United States and North Korea will open civilian-level trade missions respectively in Pyongyang and Washington before the end of the year.

Given the fact that the United States, Japan, and our government have been pressing North Korea to agree on South-North mutual nuclear inspection, making it a precondition for improving their respective relations with North Korea, the likelihood that the United States and North Korea will improve their bilateral relations is significant in that it is premised on North Korea's considerable changes concerning the nuclear issue and foreign policy.

A high-ranking government official said: The United States and North Korea have been steadily holding talks for improving relations through various channels in addition to the embassy counselor-level contacts in Beijing. Shortly before the announcement on the establishment of ROK-PRC diplomatic relations, the United States and North Korea reached an agreement on establishing an appropriate civilian-level mission and this has been confirmed by U.S. Government officials.

The source continued: In the process of persuading North Korea to understand its decision on normalizing relations with the ROK, China reportedly conveyed the U.S. intention to improve its relations with Pyongyang to North Korea. China is also believed to have expressed its willingness to serve as an instrument in improving relations between Japan and North Korea and between the United States and North Korea on the condition that North Korea agree to abandon its project of developing nuclear weapons. The North would also have to agree on South-North mutual nuclear inspection.

The source said: An analysis of the situation on the Korean peninsula and its neighboring areas following the establishment of ROK-PRC diplomatic relations, including moves by the United States and North Korea to improve their bilateral relations, shows a relatively high possibility that the South-North mutual nuclear inspection can be settled.

Another government source said that "under such circumstances, our government has recently allowed entrepreneurs to hold contacts with North Koreans for North-South economic cooperation, which our government had previously postponed in connection with nuclear inspection."

After noting that "during the 47th UN General Assembly, Kim Yong-nam, foreign minister of North Korea, is expected to visit New York to deliver a speech at the United Nations," the source said that "sharp attention is focused on the possibility of a meeting between Minister Kim's delegation and the U.S. administration's high-ranking officials."

In connection with the U.S.-North Korean economic cooperation, some U.S. civilian enterprises, including Coca Cola, have already established branches in Pyongyang and are negotiating with North Korea over their advance in North Korea.

DPRK Editorial Criticizes ROK-U.S. Ties

SK0209074892 Seoul YONHAP in English 0610 GMT 2 Sep 92

[Text] Seoul, Sept. 2 (YONHAP)—North Korea said Wednesday it had done everything possible to improve relations with the United States, and Washington should respond by dropping its hostile policy toward Pyongyang.

North Korea, in an editorial in the party newspaper NODONG SINMUN monitored here by NAEWOE PRESS, said it had made every endeavor to improve ties with Washington since the United States was directly responsible for Korea's division and unification was closely linked to U.S. policy.

The editorial, titled "An Old U.S. Policy Toward Korea: A Legacy of the Cold War," said the United States was obliged to play an assertive role in ensuring peace on the Korean peninsula and realizing national unification, according to Seoul's official watcher of North Korean affairs.

What Washington should do next to resolve the Korean issue was to lower tensions on the peninsula, the NODONG said.

It called for inter-Korean reconciliation and trust, a North Korea-U.S. peace agreement and withdrawal of U.S. servicemen and nuclear weapons from South Korea, NAEWOE said.

The United States says nuclear weapons have already been withdrawn from South Korea.

"The U.S. policy toward Korea is based on an anachronistic rationale that resorts to might," the paper said.

It denounced Washington and demanded America correct its hostile stance against North Korea, taking note of the breakdown of the cold war and the rapid transitions in international situations.

Correcting its hostile stance would guarantee peace on the Korean peninsula and was in conformity with the interests and wishes of the American people, the paper maintained.

The United States should support unification of Korea and ensure peace if it respects the rights of every nation to select its own fate and make its own decisions as a responsible party for the Korean problem, the NODONG said.

DPRK May Accept Inspection of Nuclear Bases

SK0109143592 Seoul CHUNGANG ILBO in Korean 1 Sep 92 p 2

[Text] Kong No-myong, the ROK chairman of the Joint Nuclear Control Commission and dean of the Institute of Foreign Affairs and National Security, said on 31 August: It has been confirmed that North Korea was examining a plan to conditionally include military bases as sites for North-South mutual nuclear inspection. As a result, new ground may be broken at the eighth North-South high-level talks slated for 16 September.

At the news briefing following the eighth meeting of the Joint Nuclear Control Commission, Chairman Kong said: "Although the North has refused even to discuss the issue of inspection, they changed their stance by accepting the discussion of the inspection regimes on the condition that the two sides are to discuss the annexed agreement when necessary." He continued: "In particular, the North demanded that the South define and explain in detail the term 'military bases' as mentioned in the South's proposal. In the past, the North insisted on excluding military bases from information regarding sites to be exchanged by both sides for inspection. Judging from such demands, we were under the impression that the North was looking for ways to compromise."

The biggest difference in views on mutual nuclear inspection between the North and South was whether North Korean military bases should be included in sites for inspection. It seems that the North side's demand for a detailed explanation hints that it is willing to accept some of the South side's proposals.

Dean Kong No-myong said: In response to this demand, the South side told the North that military bases mentioned in the South's proposal do not include ordinary military bases but military bases where nuclear weapons, nuclear detonation devices, and delivery means are deployed. The South's proposal is that the sides exchange information on those military bases and inspect them.

The North proposed holding a contact of chairmen of the North-South Nuclear Control Committee at the eighth North-South high-level talks scheduled to start on 15 September in Pyongyang.

North Hosts Women's Seminar on 'Peace in Asia'

Women's Delegation Arrives

SK0109051292 Seoul YONHAP in English 0323 GMT 1 Sep 92

[Text] Pyongyang, Sept. 1 (OANA-YONHAP)—A 20-member delegation of South Korean women arrived in the North Korean capital Tuesday for the third forum on "Peace in Asia and Women's Role."

Accompanied by five aides and five reporters, the delegation crossed through the truce village of Panmunjom at 10 a.m. and then became the first South Koreans to drive along the Kaesong-Pyongyang highway, completed in April.

The forum "will open a new history toward peacefully uniting the people and the nation," Yi Hyo-chae, a co-leader of the delegation, said in an arrival statement.

The participants, from both Koreas and Japan, are to discuss the role of women in uniting people, Japanese colonial rule and post-war compensation, and peacemaking.

The South and North Koreans are likely to seriously address cross-cooperation on seeking measures and compensation for Korean "comfort women" sexually enslaved for Japanese soldiers during World War II.

The comfort women issue comes under Japanese colonial rule and post-war compensation, and forum sources say the two Koreas and Japan may agree to jointly investigate the issue.

South Korean delegate Yi U-chong is to criticize in her paper the Japanese Government for trying to cover up historical facts and close the controversy with financial compensation before the issue is fully investigated. She will follow with a recommendation to form an inter-Korean joint investigation task force.

The women from Seoul say they cannot allow such a financial solution before all the facts are uncovered. They will suggest that North Korea join a pan-Asian panel on comfort women formed in August at a Seoul seminar.

Yi Hyo-chae will publicize documents collected by South Korea's Chongdaehyop, the council for comfort women, and will personally meet with surviving victims of Japan's sex slave trade in North Korea.

North Korea, currently negotiating diplomatic normalization with Japan, is concentrating on joint measures for compensation rather than fact-finding.

The one-day forum opens Wednesday. The South Korean delegation will tour Pyongyang and Mt. Kumkang before returning home Sunday.

Forum Opens

SK0209033092 Seoul YONHAP in English 0223 GMT 2 Sep 92

[Text] Pyongyang, Sept. 2 (OANA-YONHAP)—Some 250 women from South, North Korea and Japan opened the third tripartite forum on "Peace in Asia and Women's Role" Wednesday in Pyongyang to seek joint measures on peacemaking.

The morning session, in the People's Cultural Palace, heard a presentation by Kang Chun-kum, director of the North Korean Academy of Sciences, on "People's Unity and Women's Role."

Japanese upper house lawmaker Sumiko Shimizu will speak in the afternoon on Japanese colonial rule of Korea before and during World War II and post-war compensation.

South Korean delegation co-leader Yi U-chong will follow Shimizu with a paper on peacemaking and women's role.

Kang called people's unity the most basic precondition for national unification and urged the participants to rise above doctrines and ideology to lead the unification movement.

"Let us make a women's organization that brings together women of South and North Korea and abroad," Kang told the forum.

Addressing the issue of "comfort women," a euphemism given to Koreans sexually enslaved for Japanese soldiers during World War II, Yun Chong-ok, leader of the South Korean Council for Comfort Women, urged an inter-Korean joint investigation to uncover all the facts.

"North Korean women should participate in finding documents on comfort women and surviving victims," she said.

South Korea's Yi demanded that Japan first clear itself of past wrongdoings, such as comfort women and colonial rule, if it sincerely wanted to contribute to world peace.

A 20-member South Korean delegation arrived in the North Korean capital through the border village of Panmunjom on Tuesday for the forum.

North Korean chief delegate Yo Yon-ku hosted a welcome reception for the participants, and offered a toast with a drink made with fruits from Mt. Paektu.

She added zest to the event by chanting the words to the song "There Are Those Met Briefly but Remembered Long."

South Korea's Yi U-chong likened national unification to marriage, saying women should bring South and North Korea together just like they harmonize with their in-laws after marriage.

One of the guides supplied for the Seoul delegation was a familiar face from the silver screen—75-year-old actress Mun Ye-Pong.

Yi complimented her on her younthful looks, to which Mun replied, "why would I get old with such care by our leader (Kim Il-song)?"

Editorial Urges Consistent Policy With North

SK3108060592 Seoul KYONGHYANG SINMUN in Korean 31 Aug 92 p 3

[Editorial: "Are There Governing Rules in the Policy Toward the North?"]

[Text] Lacking in clear-cut governing rules and guiding principles as it does, the government's policy toward the North is very confusing. The government stated that it would shelve any kind of economic cooperation between the South and North unless the mutual nuclear inspections materialize first. In a sudden change of policy, it is now in a hurry to send a fact-finding team to Nampo. In addition, the government has also lifted the ban imposed for a while on visits by businessmen to people in the North. The government endorsed a package of 34 applications for economic cooperation with the North. It is as though a dam has been broken after a long water-trapping period.

The South-North economic cooperation is admittedly desirable. But it is doubtful whether there was any urgent reason as to why the government had to shift its policy all of a sudden. According to the government's explanation, the changed atmosphere following the establishment of

ROK-PRC diplomatic relations and North Korea's promise to China to stop nuclear development are among the greatest changes in the situation. There are, however, a few points that are hard to accept.

Not only is it unclear whether North Korea had really promised to China that it would stop the nuclear development project, but it is also rash for the government to believe the promise at face value at this stage. The government has obtained no guarantee at all from North Korea regarding mutual nuclear inspection.

What concerns us is whether it is proper for the government to change its principled stand and its policy toward the North in the belief that North Korea inevitably will open up or whether there was any inexplicable reason as to why the government has to hasten the economic cooperation with the North.

Rumors about North Korea opening up are heard often, but in our view it has a long way to go. North Korea is fearful of even agreeing on the exchange of separated families and relatives which is so pressing and urgent. North Korea is also reported to have sealed off its border to Chinese tourists and put the brake on border trade with that country to express its unhappiness about the establishment of ROK-PRC diplomatic relations.

Such an attitude adopted by North Korea is exactly the opposite of our conciliatory attitude we have unilaterally adopted toward North Korea. We should not press North Korea too hard or drive it to bay. We should, however, lay down governing rules of our own in our diplomatic negotiations with North Korea which has reneged on its earlier promise to allow the exchange of old parents' visiting groups.

The assertions that talks for economic cooperation with North Korea should be resumed for the purpose of creating an atmosphere for the eighth round of the South-North high-level talks is also an extreme form of a far-fetched view. Even without any hasty effort on our part, North Korea, cornered after Korea and China established diplomatic relations, has no choice but to respond to the international trends of the times. The best policy line our government can follow is to have our way in the settlement of such issues as mutual nuclear inspection and separated families and relatives through unhurried persuasion. It will be seen as unfitting, even in the eyes of others, that we alternate from seething to coolheadedness at a time when North Korea has shown no signs at all of changing. It is hoped that the government will lay down clear-cut governing rules in its policy toward the North and adhere to the rules of the game.

Government To Aid Russia in Defense Transition

SK0109053792 Seoul YONHAP in English 0311 GMT 1 Sep 92

[Text] Seoul, Sept. 1 (YONHAP)—The South Korea and Russian Governments agreed Tuesday to strengthen bilateral cooperation in helping Russian defense industries, particularly aviation, aerospace, communications, electronics and alloy materials firms, enter the civilian sector.

Trade and Industry Minister Han Pong-su and visiting Russian Industrial Minister Alexander Titkin agreed to set up cooperative channels between the Korea society for the advancement of machine industry and the Russian federation of defense industries to encourage participation by Korean companies.

They also agreed to mutual transfer of technologies and joint investments between Russian military equipment manufacturers and Korean firms.

In addition, the two ministers agreed to Korean assistance in helping train Russian managers and technicians in the defense industry and to promote exchange programs between their countries.

The two ministers agreed on the need to connect the databases operated by the Korea institute for economics and technology and the Russian Science and Technology center.

The system is primarily designed for the two countries to connect Russia's basic and high-tech technologies with Korea's production know-how, trade-industry ministry officials said.

The two ministers exchanged a memorandum of understanding on promoting industrial cooperation between the two countries and agreed to regularize meetings of a joint commitee of industrial cooperation, which is to be membered by policy-makers of their ministries.

No Tae-u Discusses Ties With PRC; Elections

SK0209042192 Seoul THE KOREA TIMES in English 2 Sep 92 p 2

[Text] President No Tae-u believes that the recent diplomatic normalization between South Korea and China will prompt improvement in South-North Korean relations.

"The establishment of diplomatic ties between South Korea and China will help South-North Korean relations progress faster," the president predicted.

Seoul and Beijing set up bilateral diplomatic ties on Aug. 24.

In an interview with the CHUNGDO ILBO, a provincial daily, yesterday, No said that North Korea "has been in a situation when it has no choice but to change, irrespective of the diplomatic normalization between South Korea and China."

Asked about the government's position on the upcoming presidential election slated for December, the president vowed that his administration would take every step available against those who commit illegal behavior in the course of campaigning in accordance with law.

Tough measures will be taken against illegal campaigners, irrespective of their ranks, high or low, or their political affiliation, the president stressed.

No promised that the government "will guarantee free atmosphere, so that the election can be held in a fair and just manner."

As for the scorching disputes over the postponement of local elections, No said, "The decision to put off the elections has nothing to do with political interest."

No also said that he would devote himself to invigorating the economy during his remaining term. No's tenure is to expire on Feb. 24 next year.

In another interview with a provincial paper, KYONGIN ILBO, the president said that his visit to China later this month would focus on clearing the remains of the cold war in Northeast Asia.

"On top of the agenda at the historic Korea-China summit will be restructuring of the bilateral relations necessitated by the changes on the Korean peninsula and in Northeast Asia and clearing the cold war remains in this part of the world.

Split With Taiwan Leaves 'Unpleasant Aftertaste'

SK0109054992 Seoul THE KOREA TIMES in English 1 Sep 92 p 8

[By economic editor Pak Chang-sok]

[Text] Last week was "China Week." The news of the establishment of diplomatic ties with China headlined the newspapers all week together with colorful pictures, captioned with such striking words as "historic" and "new era."

No doubt, the setup of official links between Seoul and Beijing will have far-reaching effects in bilateral relations in politics, diplomacy, the economy, and culture. If one believes a Foreign Ministry announcement as is, the normalization of relations with Beijing, the last major existent socialist power now with the end of the cold war, will contribute to the improvement of stability on the Korean peninsula and peace in Asia as well. South Korea's trade with China is expected to rise sharply, making China the third largest trading partner of Korea, next to the United States and Japan. The government's expectations are rosy on investment and tapping of natural resources.

The amelioration of ties with Beijing is surely a diplomatic exploit in light of the decades of unhappy relations after the Chinese People's Army fought in the Korean war on the side of North Korea. Nonetheless, it has left an unpleasant aftertaste. Korea lost its long-cherished friend, the Republic of China on Taiwan, which had remained a staunch anti-communist ally and a long trading partner of the ROK.

The relations with Taipei fell to their worst state after its severance of official ties with Seoul following the announcement.

The Seoul Government made some mistakes in pushing the change of diplomatic recognition from Taipei to Beijing, errors large enough to anger the ROC. The government seems to have been in hot haste seeking recognition from Beijing.

First, the principle of reciprocity and equality, a yardstick broadly used in diplomacy, has not been observed in Seoul-Beijing diplomatic dealing. China carried through its purpose, maintaining ties with its ally North Korea, while the ROK was forced to abandon its old chum the ROC.

The ROC officials say that they feel what was more treacherous about the ROK was the diplomatic procedures rather than the recognition of Beijing itself. Seoul was not smart in handling Taipei's demands. Controversy over the use of the current ROC Embassy building symbolizes the Seoul government's diplomatic unskillfulness. For example, when the U.S. broke off ties with Taipei, the American Government extended the maximum favors and courteousness to the ROC by even legislating a special act to solve the turnover of the ROC Embassy building. As a result, the ROC sold the building for one dollar to pro-Taipei Sen. Goldwater in the name of the government and then rebought it in the name of a private association of the ROC which was inaugurated immediately to maintain relations with Washington on a non-governmental basis. The Seoul government did little for the Taipei government, just saying that the ROC Embassy building originally belonged to the Qing Dynasty, an immediate precedent to the state of China and it was natural for the embassy property to be turned over to Beijing.

The second issue is the inadequate notice of diplomatic recognition given to the Taipei government. "We were officially notified of Seoul's plan to normalize ties with Beijing only three days before the formal announcement. This was cheating and toying with us," thundered an official at the ROC Embassy. Citing the case of Singapore, he said that Singapore took necessary steps including the dispatch of government emissaries beforehand to soothe the feelings of ROC people.

Critics even say that the hasty normalization of ties with Beijing exposed Seoul government's flunkeyism, its being weak before strong powers and acting tough with weak nations.

The No Tae-u government should have been more polite in handling the ROC issues in view of its past relations with the Chiang Kaishek government that tremendously assisted Korea get its independence from Japanese colonial rule.

Apart from the historical relations, there are other reasons for the Seoul government to have been more earnest in handling the ROC issue. What should be noted first is the fact the ROC nowadays is totally different from what it was in the days when the United States and Japan severed ties with it. The ROC has become an economic power whose per capita income is nearing the level of

10,000 U.S. dollars, ranking it among the highest in Asia. On top of this, the ROC has the world's largest foreign exchange reserves of 83.1 billion dollars.

With the implosion of the Soviet Union and the falling down of the Berlin Wall, the cold war era is gone. The ideological war has been supplanted by an economic war. Necessary for winning the cutthroat economic war is capital. Developing countries including Vietnam are attracting the "Taiwan Dollar" in earnest for industrial investments.

Another thing worthy of attention is that Beijing and Taipei have rapidly expanded exchanges in all sectors. Taiwanese visits to the mainland are reaching one million annually and the corporate investment in China's southern province accounts for as much as 20 percent of total overseas investment there.

Taipei is roaring ahead on a variety of economic sanctions against the ROK. Its indignation is understandable. Nonetheless, it is not desirable that the suspension of political and diplomatic ties develop into the rupture of private relations. The reason is that the Korean people's love for Taipei has never changed despite the stark political reality.

Government To Grant Mongolia $5.2 Million Loan

SK2608152092 Seoul YONHAP in English 0721 GMT 26 Aug 92

[Text] Seoul, Aug. 26 (YONHAP)—The government will grant Mongolia a 5.2 million-U.S.-dollar loan from the Economic Development Cooperation Fund (EDCF), the Finance Ministry said Wednesday.

The government promised Mongolia the credit when President Punsalmaagiyn Ochirbat visited Seoul in October last year, a Ministry spokesman said.

The loan is to be repaid over 20 years, including a five-year grace period, at an annual interest rate of 3.5 percent, he said.

The Mongolian Government is expected to use the money to build a factory to make disposable syringes and needles.

Samsung Co., an affiliate of the Samsung Group, is to supply the plant facilities, which will have an annual production capacity of 3 million syringes and 1.2 million needles.

DP Opposes Plan To Put Infantry in UN Force

SK0209034292 Seoul YONHAP in English 0303 GMT 2 Sep 92

[Text] Seoul, Sept. 2 (YONHAP)—The main opposition Democratic Party decided Tuesday [1 September] to oppose the government's plan to include an infantry battalion in South Korea's contingent for United Nations peacekeeping operations (PKO).

The party, in a meeting of the Central Executive Council, gave assent to the dispatch of the medical and administrative staff to monitor and help conduct elections. The meeting was called to discuss the government action.

The party will oppose the dispatch of combat soldiers when the government asks the National Assembly to approve the proposal.

Kim Yong-sam Promises Strong Presidency

SK2908012992 Seoul THE KOREA HERALD in English 29 Aug 92 pp 1, 12

[By staff reporter Kim Chong-chan]

[Text] Kim Yong-sam, the presidential candidate of the Democratic Liberal Party [DLP], was elected president of the ruling party yesterday and pledged that, if elected president, he would provide a strong presidency and run a clean government.

The election came at a Central Standing Committee meeting at a gym in Olympic Park in southeastern Seoul.

President No Tae-u, whose single five-year term ends next February, was picked honorary party president.

Co-chairman Kim Chong-pil succeeded Kim Yong-sam as executive chairman, while Pak Tae-chun was retained as co-chairman.

In an acceptance speech, Kim Yong-sam said, "Both the people and history demand change. To that end, we need a strong government and a strong national leadership."

In his speech titled "Opening An Era of Change," Kim called for the eradication of the "Korean disease."

"If we are to restore the health of our society, we must carry out bold surgery to root out widespread injustice, deep-seated corruption and improprieties," Kim said.

He described the "Korean disease" as excessive consumption, luxury, pleasure-seeking, regional animosity and the "cult of money which proclaims that money can buy anything."

Kim stressed that the DLP should transform itself into a party of reform capable of taking the lead in ushering in change.

He said his party should accomplish intraparty democracy so that all decisions can be made from the bottom up.

He said a strong leadership can only be provided by "men of integrity and honesty," citing a Korean adage, "The upper stretch of a stream must be clean in order to have a clean downstream."

Kim, a 64-year-old former long-time opposition leader, said the only property he owns is a house in Sangdo-tong, southern Seoul. "I will not own any other property in the future, either," he said, adding that he would strive to run an ethical government. "The ethical integrity of the

national leader is the foundation for a healthy society and a healthy country," he said.

Kim promised that he would campaign for the December presidential election in a "fair and just" manner. He said a strong government is possible only when the process of gaining power is "just" and that power grabbed through illegal and unjust means cannot be truly effective.

"Real power comes from moral authority rather than from the barrel of a gun or a heap of money," he observed.

Stressing the need to reform the government's personnel management, Kim contended that the bitter regional antagonism has stemmed largely from "unfair" personnel management in the government.

He urged that appointments and promotions be based on competence and merit rather than regional bonds, academic connections and favoritism.

Kim said he, if elected president, would recruit people from all parts of the country to achieve national reconciliation.

As for the national economy, the DLP leader appealed to workers to join hands to reinvigorate the economy.

He said the nation should achieve a "small government" by minimizing government control and intervention in economic activities. He said he believes that voluntary participation of businesses and the public as well as creativity are the keys to economic revitalization.

Kim asked for "consistency" in government policies and "predictability" in politics to stimulate private investment.

Touching on national unification, Kim said he is convinced that unification will be achieved before the present century ends.

But Kim said he would not hurry. "If we make haste, we will very likely run into an excruciating process of trial and error that we may not be able to withstand. We need to make a sound and solid unification policy," he said.

Kim called for strong measures to make North Korea submit to inter-Korean nuclear inspections on top of inter-national surveillance.

He emphasized that exchange visits of dispersed family members between South and North Korea should be realized first.

Following the central standing committee meeting, the government party held a reception at the fencing dome in Olympic Park to celebrate Kim Yong-sam's assumption of the party presidency.

President No attended the party.

Party sources said the DLP plans to launch its presidential campaign committee early next month with Kim Chong-pil as executive chairman and Pak Tae-chun as chairman.

Editorial on Budget 'War' Between Defense, EPB

SK0109024892 Seoul THE KOREA HERALD in English 1 Sep 92 p 6

[Editorial: "Defense Budget Debate"]

[Text] In the course of coordinating interdepartmental views in preparing the budget bill for next year, a tug of war is reportedly under way between the Ministry of Defense and the Economic Planning Board. There is of course much to be said on both sides.

The weight the defense setup carries in the survival and growth of this nation and the fluid nature of the changes taking place in the international security environment of the Korean peninsula call for scrupulous thought to be given to the subject before making a final policy decision.

The military authorities demand that the defense spending be increased 12.5 percent at the same rate that it was raised for the current year over 1991. On the other hand, the Economic Planning Board is seeking to keep the increment down to a single digit, between 8 and 9 percent.

Scaling up military expenditure is necessitated by the need to modernize existing hardware and improve the logistics for servicemen based on the perception that security conditions in and around the peninsula still dictate strong defense readiness on our part.

A preoccupation with the requirements for continued economic development prompted the Korean Development Institute and some economic organizations including the Federation of Korean Industries to ask for a minimal rise in defense spending for the sake of austerity and readjusted investment priorities.

It is worth noting that a sort of arms race is briskly taking place in this part of the world despite the general easing of East-West tension. The case against North Korea's nuclear ambition as part of its persistent hard-line strategy is well known. Japan is to claim a bigger military voice by joining the peacekeeping operations of the United Nations. Beijing is strengthening its arsenal by purchasing sophisticated fighter planes, tanks and a carrier from the Commonwealth of Independent States. These developments hardly warrant unilateral negligence which might weaken our defense capability.

Budgetary appropriations for defense should thus be determined upon cool-headed assessment of the regional military realities and should not be outweighed by economic considerations only. This also imposes upon the defense establishment the grave burden of tightening its belt and achieving the highest degree of cost-effectiveness.

Burma

Minister, Delegation Depart for NAM Summit

BK0109164592 Rangoon Burma Television Network in Burmese 1330 GMT 1 Sep 92

[Text] In accordance with the agreement reached at the ministerial meeting of the 10th Nonaligned Movement [NAM] summit currently being held in Jakarta, Indonesia, for Burma to rejoin that organization, a Burmese delegation led by U Ohn Gyaw, minister for foreign affairs, left Rangoon by air today to attend the summit meeting.

The delegation was seen off at Rangoon airport by Major General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC]; Maj. Gen. Tin U, secretary-2 of SLORC; Maj. Gen. Myo Nyunt, minister for religious affairs; Colonel Pe Thein, minister for health and education; Mr. (Icuk Harve Diandera), charge d'affaires of the Indonesian Embassy; and responsible personnel from the Ministry of Foreign Affairs.

Members of the delegation include: U Nyunt Swe, Burmese ambassador to Thailand; U Nyunt Tin, Burmese ambassador to Indonesia; U Aye, director general of the Political Department of the Ministry of Foreign Affairs; U Kyaw Myint, charge d'affaires of the Burmese Embassy in Singapore; Daw Than Than Htay, counselor of the Burmese Embassy in Indonesia; and Daw Moe Thuzar, personal officer of the minister.

The Union of Myanmar [Burma] was a founder member of the Nonaligned Movement in 1961 and played an active role in that organization. But from 1979, due to prevailing circumstances and various reasons, Burma temporarily suspended its participation in the activities of the Nonaligned Movement. However, Burma has consistently and unequivocally adhered to the fundamental principles of the Nonaligned Movement. Due to the important changes taking place at present both inside and outside the country, Burma believes that the Nonaligned Movement can play an important and significant role in international affairs. Moreover, Burma is convinced that the reinstatement of its membership can greatly contribute to the long-term interests of the movement. Henceforth, Burma will be playing an active role in the Nonaligned Movement.

Opposition Protests Junta's Readmission to NAM

BK0109110392 Hong Kong AFP in English 1020 GMT 1 Sep 92

[Text] Bangkok, Sept 1 (AFP)—Burma's jungle-based dissident government Tuesday attacked the decison by ministers of the Non-Aligned Movement (NAM) to accept Burma's reapplication to the organisation. The National Coalition Government of the Union of Burma (NCGUB) claimed that the Burmese junta's decision to rejoin the NAM was made because of its growing international isolation.

The ruling junta "reapproached the NAM not because of its genuine belief in the policy of the NAM but because of its intention to exploit the power base of NAM in the international community...where pressure is growing (because of) its human rights violations," the NCGUB said in a statement issued here.

The NCGUB, based in ethnic minority guerrilla territory near the Thai border, is made up of politicians who won seats in Burma's May 1990 election, the results of which, a landslide victory for the opposition, has not been recognised by the ruling military government.

The ruling junta, officially known as the State Law and Order Restoration Council (SLORC), is facing mounting criticism from Western and some Moslem countries for its brutal treatment of Burma's pro-democracy opposition and ethnic and Moslem minorities.

Hundreds of thousands of Burmese Moslems have fled Burma to Bangladesh citing widespread abuses by SLORC forces, and tens of thousands of ethnic minority people have sought refuge from SLORC offensives in Thailand, India and China. Hundreds of pro-democracy politicians and activists have also escaped to anti-Rangoon guerrilla zones or abroad to flee from the SLORC's secret police.

Burma, which pulled out of the NAM in 1979, has until recently followed a strictly isolationist foreign policy.

The attack came on the same day Burma's Foreign Minister Ohn Gyaw left Rangoon to attend the NAM summit in Jakarta. Before his departure Ohn Gyaw said the time was opportune for Burma to rejoin the movement in line with its foreign policy of being friends with all nations, especially its neighbours.

"The time is not only ripe but it is right that we rejoin the family of non-aligned nations," Ohn Gyaw said.

Central Bank Licenses Thai Military Bank

BK2908110092 Rangoon Radio Burma in English 1445 GMT 28 Aug 92

[Text] The Central Bank of Myanmar [Burma] today issued a license to the Thai Military Bank Limited, Bangkok, to open a representative office in Yangon [Rangoon] under Section 57 of the Central Bank of Myanmar law.

The Central Bank of Myanmar law and the Financial Institutions of Myanmar law were enacted for setting up a monetary system to be in accord with the country's market oriented economy and for improving financial activity.

Central Bank Allows Private Bank in Mandalay

BK2908105892 Rangoon Radio Burma in English 1445 GMT 27 Aug 92

[Text] The Central Bank of Myanmar [Burma] on 27 August issued license to Yadanabon Bank Limited, Mandalay.

The license was issued under Section 57 of the Central Bank of Myanmar law. The Central Bank of Myanmar law and the Financial Institutions of Myanmar law were enacted for setting up a monetary system to be in accord with the country's market-oriented economy and for improving financial activity.

Detainees Released From Jail 31 Aug

BK3108123292 Rangoon Radio Burma in Burmese 1150 GMT 31 Aug 92

[From the program "News in Brief"]

[Text] It has been learned that six males, against whom action was taken under existing laws and who were serving their sentences, were released today from Monywa and Mergui jails, after their remaining sentences were commuted in accordance with Declaration No. 11/92 of the State Law and Order Restoration Council.

Brunei, Malaysia & Singapore

Malaysia

Minister Warns U.S. Against Non-Tariff Barriers

BK3108152792 Kuala Lumpur NEW STRAITS TIMES in English 29 Aug 92 p 12

[Text] The United States will be the ultimate loser if it tries to impose non-tariff barriers against Malaysian exports, International Trade and Industry Minister Datuk Sri Rafidah Aziz said yesterday.

Some of these products might be required by the U.S. industries, she said.

"Malaysia does not mind if the Generalised System of Preferences (GSP) privileges are withdrawn for any particular product as long as we have met the competitive needs level and exceeded our share of the market.

"But to state issues pertaining to human rights, workers' rights, the environment, and others are another form of non-tariff barriers," Rafidah said.

She was speaking to reporters in Kuala Lumpur after opening the Auto and Accessories and the Auto Mechanica '92 exhibition.

Rafidah was commenting on press reports that certain quarters in the United States were trying to link the GSP privileges with environmental issues.

"This is a bully tactic. But it is not the United States per se, only certain parties there. The GSP privileges should be accorded based on objective criteria.

"It should not be based on factors which are difficult to evaluate and where it is difficult to give a weightage," she said.

Asked to comment on a news report today that foreign investors had given the Perak Government an ultimatum on a $200 million [ringgit] newsprint recycling project, she said obtaining an environmental impact assessment (EIA) report was a fact of life.

"If the project is subjected to an EIA, then such a report has to be obtained. Perhaps the state government can earmark the land for the project pending the EIA report.

"Even if a licence is given pending an EIA, the project cannot take off the ground," she said.

The report had said that the foreign investors were impatient since the state government had not given them a firm committment.

Mahathir Gives National Day Speech

BK3108102192 Kuala Lumpur Radio Malaysia Network in Malay 1240 GMT 30 Aug 92

[Speech by Prime Minister Datuk Sri Dr. Mahathir Mohamed marking Malaysia's 35th National Day on 31 August; date, place of speech not given]

[Text] Peace be upon you! We are indeed thankful to God Almighty for enabling us to celebrate our National Day, the anniversary of our country's independence. This year marks the 35th anniversay of our independence. The people of Malaysia have every reason to feel proud, happy, and grateful to welcome the National Day anniversary.

We are happy and grateful to celebrate National Day because today Malaysia is one of a few countries in the world that continues to enjoy peace, stability, and prosperity. We can be proud of the fact that the multiracial population of our country can live in unity, full of understanding, mutually respecting each other, and harmoniously.

The country has been very fortunate because it has not encountered any racial and religious conflicts, as have some nations where lives have been lost and property destroyed. We are neither suffering from hunger, oppression, nor war. This peaceful situation has enabled all of us to carry on with our daily chores calmly and with ease. The people of this country can also carry out their religious obligations without any disturbance.

With political stability, the Malaysian economy is strong and growing rapidly, and the orderly management of the economy has resulted in a high growth rate. The encouraging economic growth will enable Malaysians to continue to enjoy a high standard of living.

The government has sufficient revenue to implement infrastructure and rapid industrial development to cater to the people's needs. Malaysia has a very low unemployment rate. We have been successful in stabilizing the prices of commodities. Apart from this, the government has been able to reduce the rate of poverty among the people. People who were previously deprived of basic amenities like water and electricity, roads, schools, and

clinics are now enjoying these facilities. We can also be proud of having a high standard of education and efficient administration. Today every Malaysian child has an opportunity to receive an education as high as the postgraduate level. Many students studying at the universities today are from the rural areas.

The machinery of state administration is comparable to that of the developed countries. The government has been successful in bringing progress and rapid development to this country because of the existence of an administration that is sensitive to the people's interests. This is where the key to the Malaysian Government's success lies and why it has the edge over others.

Since we achieved our independence 35 years ago, Malaysia has proven to the world that its multiracial nature has not prevented it from achieving progress and success, although many had predicted that this country would collapse because it was multiracial, multicultural, and multireligious.

Ladies and gentlemen, although the country has achieved tremendous progress, the people must always be wary and continue to strive hard to make Malaysia a developed nation. The government has formulated a vision as an objective toward making Malaysia a developed nation. Therefore, the theme for this year's National Day celebration—"Vision the Basis of Progress"—is most accurate and in line with what we aim to achieve by the year 2020.

Being an independent country, Malaysia needs to progress and uphold its sovereignty. As a poor nation it will not gain the respect of others and will burden its people. A poor nation is not able to act freely because it is too dependent on the goodwill of others. We have to start working from now to make Malaysia a progressive and respected nation. Otherwise, Malaysia will remain a poor nation. If this happens, the calamities that are currently faced by several countries will in turn take place in our country. If this is so, the independence we have been proud of will be meaningless. If a nation is weak and poor the independence it has achieved will be of no significance, and independence is useless if a nation is not capable of protecting things that are right. Independence is useless if a country's people live in poverty, suffering, and continue to depend on the mercy of others.

Being an independent country, Malaysia needs to uphold its dignity and sovereignty and be a developed country accountable to other developed countries. However, the path towards Vision 2020 certainly is not easy and will be full of challenges. Malaysians must have faith in their ability to achieve the objective of Vision 2020. Since independence 35 years ago Malaysia has succeeded in overcoming many barriers and managed to equip the people with knowledge and skill. By intensifying our efforts and diligence, God willing, our objective will be realized. To achieve the vision the country must secure political stability, unity, and sustainable economic growth. The people must continue to cooperate and be united. Malaysians must also be aware of others who are out to distrupt the unity among the races. If they do not unite, then the objective of becoming a developed nation will not be realized. I am confident that Malaysians who love peace and stability will do everything possible to avoid disrupting harmony.

Ladies and gentlemen, the commemoration of National Day is greatly significant to all of us. It gives us the opportunity to recall the country's struggle for independence from colonial rule in addition to reviewing our achievements over the past 35 years under our own rule. This gives the people, especially those born after independence, the opportunity to remember and understand our country's struggle and subsequently to appreciate more deeply the significance of independence. In addition, it will also make us realize the importance of our freedom from colonialism. We must remember that colonialism manifested in other forms exists today. As our leaders fighting for independence had a vision to free the country from colonialism, we, too, now have a vision to bring the country to a higher degree of progress. With the pooling of all resources and the serious efforts of the people of all strata, we will, God willing, achieve our desire to turn Malaysia into a developed country.

May God bless and guide us! Peace be upon you again!

Economy Grows 8.9 Percent in First Quarter

BK2808124392 Kuala Lumpur NEW STRAITS TIMES in English 25 Aug 92 p 14

[By K.L. Lim]

[Text] The economy grew by 8.9 per cent in the first quarter of this year, on course to achieve Bank Negara's projected annual growth rate of 8.7 per cent.

Bank Negara Governor Tan Sri Jaffar Hussein, in reviewing economic growth in his meeting with financial institutions in Kuala Lumpur yesterday, said the economy also remained strong in April and May.

The meeting was attended by Negara officers and chairmen and chief executive officers of commercial banks, finance companies, merchant banks and insurance companies.

Bank Negara said in a statement issued yesterday that the main impetus of growth was the manufacturing sector which expanded by 10.3 percent in the first quarter.

The manufacturing sector continued to grow by an average of 13.7 percent in April and May. Bank Negara expressed optimism that the annual double-digit growth in the manufacturing and construction sectors would likely be sustained at the 14 to 15 per cent level.

Most significant is the turnaround in agriculture production to register a positive growth in April and May.

"Based on these developments, the economy would remain on course in 1992. Real Gross Domestic Product forecast of 8.7 per cent as contained in Bank Negara's annual report is likely to materialise.

"However, this continuing high rate of growth (which compares favourably with 8.8 per cent in 1991) will exert pressures on available resources, both physical and human."

Bank Negara reported that the consumer price index registered a growth of 4.5 per cent in the first half of the year as against 4.1 per cent in the corresponding period of 1991.

"However, for 1992 as a whole, continued tight monetary policy in coordination with fiscal and other Government policies is expected to contain the inflation rate at the 1991 level of about 4.5 per cent."

Private consumption is expected to moderate significantly as suggested by the slow rise in sales turnover in the first half year, moderating loans for consumption credit as well as slower imports of consumption goods. Private investment, although slowing down from rather unsustainable high rates, would still be strong with a real growth of about 12 per cent. Public sector investment is also expected to remain strong with ongoing expenditure commitments on infrastructure facilities.

On the balance of payments, the current account deficit is expected to improve from about 10 per cent of Gross National Product in 1991 to about 7.8 per cent in 1992 following the deceleration in imports while exports will remain relativcly strong.

The statement said Jaffar also briefed the participants at the first day of the conference on the development of the International Offshore Financial Centre (IOFC) in Labuan.

Bank Negara has issued seven offshore banking and two offshore insurance licences since the launching of Labuan as an IOFC.

Cambodia

Ranariddh Accompanies Sihanouk at NAM Summit

BK3108074992 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 31 Aug 92

[Text] Prince Norodom Ranariddh, chairman of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party, supreme commander and commander in chief of the National Army of Independent Cambodia, and member of the Cambodian Supreme National Council, left Bangkok, Thailand, this Monday morning to accompany the prince head of state at the Nonaligned Movement summit, to be held from Tuesday, tomorrow, in Jakarta, Indonesia.

Earlier, Prince Norodom Ranariddh paid a visit to the zone under FUNCINPEC control in Oddar Meanchey Province where he checked preparations to welcome the prince head of state who is due to visit the area under FUNCINPEC control after returning from Jakarta.

His Royal Highness Prince Norodom Sihanouk is due to attend the Nonaligned Movement summit as Cambodia's head of state. He is the last founding member of the Nonaligned Movement still living among a number of members who founded the Nonaligned Movement; these members have all passed away.

Tie Banh Receives Japanese Envoy 29 Aug

BK0209051392 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1200 GMT 1 Sep 92

[Text] His Excellency [H.E.] General Tie Banh, member of the Standing Committee of the Cambodian People's Party Central Committee, vice chairman of the Council of Ministers, defense minister, and member of the Supreme National Council, granted an audience to H.E. Imagawa, Japanese ambassador to Cambodia, at the Army Foreign Relations Department on 29 August. At the meeting, H.E. Imagawa praised and highly valued the State of Cambodia's army for having correctly executed the implementation of the Paris accord by regrouping its troops with armaments in cantonments and allowing a number of officers and rank and file to temporarily return to civilian life. The Japanese ambassador added that he was anxious concerning the complicated situation in Cambodia since the signing of the Paris accord because the Khmer Rouge faction has continued to attack the SOC, such as in Preah Vihear Province and along National Route 12. He disclosed that some 600 Japanese troops would arrive in the SOC in October to join the Cambodian peace process.

In his reply, H.E. Gen. Tie Banh thanked Japan for the upcoming dispatch of its troops to Cambodia to participate in the process of seeking peace in Cambodia. He also spoke about the SOC army's goodwill in applying the Paris accord, which has already entered its second phase, by having regrouped its troops and weapons in cantonments and allowed a number of officers and combatants to temporarily return to civil life. However, the Khmer Rouge faction has not only refused to respect the accord but it has also continued to launch attacks against the SOC.

Japan Rejects Khmer Rouge Proposals

BK0209063592 Phnom Penh SPK in French 0400 GMT 2 Sep 92

[Text] Phnom Penh 2 Sep (SPK)—Japan has rejected all proposals put forth by Khmer Rouge Leader Khieu Samphan at a recent meeting with high-ranking Japanese and Thai officials in Bangkok, affirmed a Japanese diplomat in Phnom Penh.

Yukio Imagawa, Japanese ambassador to the Supreme National Council of Cambodia, stated this at a meeting with

Defense Minister General Tie Banh in Phnom Penh on 29 August. He said that Japan had rejected all the proposals presented by the Khmer Rouge, whose sole objective is the dismantling the Phnom Penh government, which would go against the Paris accord. The Japanese envoy also mentioned that Japan as well as Thailand had rejected the Khmer Rouge's demand on the setting up of an administrative consultative committee.

Mr. Imagawa pointed out that the outcome of the Bangkok meeting between Japan, Thailand, and the Khmer Rouge was "totally negative," adding that Japan and Thailand would do their best to persuade the Khmer Rouge to comply with the peace plan on Cambodia. However, the Khmer Rouge, he added, would possibly neither change their attitude nor renounce their intransigence over the implementation of the UN peace plan.

Akashi Asks KR To Curb Slurs in Broadcasts

BK3108125492 Hong Kong AFP in English 1030 GMT 31 Aug 92

[Text] Phnom Penh, Aug 31 (AFP)—The head of the U.N. peacekeeping force in Cambodia sent a letter Monday to the Khmer Rouge [KR] asking the group to stop criticizing the United Nations and using racist slurs in its radio broadcasts, a U.N. spokesman said. The letter from the U.N.'s Cambodia chief, Yasushi Akashi, addressed Khmer Rouge criticism of an electoral law adopted by the Cambodian factions over the objections of the Khmer Rouge.

The law allows Cambodians of Vietnamese origin to vote in U.N.-run elections scheduled for next year if they and their parents were born in Cambodia—or in the case of overseas Cambodians, if their parents and grandparents were born in Cambodia. The Khmer Rouge had wanted to restrict the voting to only those people who are ethnic Khmer, which the United Nations has said is racist.

Originally the peace accord ending the civil war, which was signed by the Khmer Rouge and the other three factions, allowed anyone born in Cambodia to vote in the elections.

Akashi's letter expressed disappointment that Khmer Rouge nominal leader Khieu Samphan was not satisfied with the "extra layer of Cambodian-ness that has the effect of disenfranchising two categories of persons who had the right to vote under the original law," U.N. spokesman Eric Falt said.

"While the revision will surely mean additional time-consuming complications for registration officers, it is quite incorrect to say that it will give Vietnamese the right to take part in the elections," the letter said.

Regarding the use of the word "yuon," a derogatory word for Vietnamese used by Cambodians and encouraged by the Khmer Rouge, Akashi told the faction he did not want to hear it. The U.N. Transitional Authority in Cambodia (UNTAC) has the right to exert direct control over information broadcast inside the country.

"I consider that the use of pejorative terms, especially by an organization aspiring to the attributes of statehood, is unseemly and objectionable in public discourse," Falt quoted the letter as saying. The Khmer Rouge have privately started calling UNTAC by the pejorative name "Yuon-TAC," accusing it of supporting the Vietnamese occupation of Cambodia.

Son Sann Cites Viet Encroachment on Territory

BK2808093792 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 27 Aug 92

["Proposal of His Excellency Son Sann on the Issue of Cambodia's Sovereignty at the 24 August 1992 Meeting of the Supreme National Council"]

[Text] His Excellency [H.E.] Son Sann, president of the Khmer People's National Liberation Front [KPNLF], raised the issue of Cambodia's sovereignty with the following comments:

1. The presence of Vietnamese forces, that can be called volunteer forces, mercenaries, advisers, or armed civilians, on Cambodian soil is a violation of Cambodia's independence and sovereignty. The presence has repeatedly been denounced.

2. The Vietnamese have used the opportunity of their lengthy occupation of Cambodia to misappropriate a big part of the Cambodian territory in the west. In some areas, the Vietnamese have moved border markers several kilometers deep inside Cambodia. They have forced, at gunpoint and with threats, the Cambodian people to move out from their villages and then sent their nationals to live there. Lately, the Vietnamese have planted bamboos and dug new canals as new boundaries in the northeastern provinces of Mondolkiri, Ratanakiri, and Stung Treng, which are currently under Vietnamese control. They do not allow the Cambodian people to enter the areas.

3. A Vietnamese-prepared agreement—this does not include other secret pacts—shows Vietnam's intention of seizing Cambodia's maritime territory via its occupation of Cambodia. And according to Vietnamese documents shown to oil exploration companies, a big part of Cambodia's maritime territory is misappropriated and a new maritime territory established to Vietnam's advantage. So if we do not raise opposition now, the Vietnamese will grasp Cambodia's maritime territory once and for all.

4. In addition to the Vietnamese swallowing Cambodia's border territory, in the central provinces of Kompong Cham, Prey Veng, Takeo, and Kompong Chhnang, illegal Vietnamese settlers have evicted the Cambodian people from their villages, then seized the latter's farm

land and set up organized and armed Vietnamese communities there. This is a newly planned strategy of being farmer and soldier at the same time so as transform, with intensified human and economic pressure, Cambodia into part of Vietnamese territory irreversibly. The Cambodian people in Kampuchea Kraom unambiguously know the strategy since they are all its victims.

Afterward, H.E. Son Sann put forth the following proposals:

According to the Paris accord, the UN Transitional Authority in Cambodia [UNTAC] and Supreme National Council have the duty to raise this priority issue because the issue directly concerns Cambodia's sovereignty and territorial integrity and correct, fair, and free elections in the country. The Cambodian territory should be returned to Cambodia and all the signatories to the Paris accord are responsible for solving this issue prior to the elections in 1993. The issue should be resolved at the same time with the verification of the withdrawal of all foreign forces from Cambodia. If the two issues, meaning the issues of the withdrawal of foreign forces and the Cambodian territory, cannot be solved, elections will not be free and just in any case. Only the UN Security Council can force Vietnam to withdraw the Vietnamese forces and settlers from Cambodia and Vietnamese-occupied territories; otherwise nothing can be settled.

I would like to propose the setting up of a technical committee of UNTAC and SNC to study the issues of the withdrawal of foreign forces from Cambodia and Cambodia's sovereignty. Availing myself of this opportunity, I wish to reaffirm that KPNLF can never accept injustice by allowing the Vietnamese to vote in Cambodia but barring the Cambodian nationals forced to live abroad from casting their ballots.

Phnom Penh Rejection of PDK Proposal Condemned

BK0209033792 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 1 Sep 92

[Station commentary: "The General Public Welcomes the 22 August 1992 Proposal of the Party of Democratic Kampuchea But the Vietnamese Aggressors and Puppets Reject It at the Drop of a Hat"]

[Text] The general public views that the new two-point proposal put forth by the Party of Democratic Kampuchea [PDK] on 22 August 1992 is a flexible, reasonable, and correct proposal in line with the Paris 23 October 1991 accord and that the proposal should be taken into consideration for concrete implementation. The proposal has the following two key points:

1. Verification of the withdrawal of all categories of Vietnamese aggressor forces from Cambodia and their non-return; and

2. Measures must be taken to enable the Supreme National Council [SNC] to exert its role as the sole legitimate body and source of authority in Cambodia throughout the transition.

On the proposal, the general public unanimously agrees that the SNC has to have an active role in cooperating with UNTAC [UN Transitional Authority in Cambodia] to comprehensively implement the accord. In this context, during the transitional period no government should exist except for UNTAC and the SNC, and all power has to be assumed by UNTAC and the SNC alone.

Nonetheless, the Vietnamese aggressors have ordered their puppets—called Hun Sen and Hor Namhong—to vociferously reject the two-point proposal at the drop of a hat. What does this mean? This is evidence of their nature as puppets shored up by the Vietnamese and as traitors and Vietnamese lackeys who have been serving the Vietnamese aggressors' policy of occupying Cambodia. The Vietnamese aggressors need to preserve the regime to further shield their policy of invasion, occupation, and annexation of Cambodia according to Vietnam's Indochinese federation strategy. By all accounts, the regime has secretly concluded agreements with the Vietnamese to allow the following:

1. To move boundaries many kilometers inside the Cambodian territory and to misappropriate a large part of Cambodia's maritime territory;

2. To send in a growing number of the Vietnamese settlers to occupy Cambodian territory and to swallow the Cambodian people for the purpose of eradicating the Cambodian race; and

3. To allow the nation to be sold to the Vietnamese by betraying the Cambodian nation and people and committing genocide against the people with all manner of methods for 14 years.

All in all, the Vietnamese aggressors and puppets do not want Cambodia to recover peace, independence, and sovereignty, nor do they want the Cambodian people to decide their destiny themselves and achieve national reconciliation. What they want is to further maintain the Vietnamese aggressor forces in Cambodia so as to prop up the puppet regime, thereby allowing the Vietnamese to further occupy Cambodia.

With the aforementioned facts, the entire Cambodian people both inside and outside the country clearly see that puppets Hun Sen, Chea Sim, Heng Samrin, and Hor Namhong have not changed their nature as Vietnam's cheapest lackeys in the least. The people also unambiguously realize that no problem can be solved with the Vietnamese puppets because everything depends only on the Vietnamese master. As such, the Cambodian nation and people in and out the country have already judged and recorded their monstrous crimes in the black book.

KPNLF's Dien Del Stresses UN Peace Role

PM0209084492 Madrid ABC in Spanish 26 Aug 92 p 30

[Interview with General Dien Del, deputy chairman of the Khmer People's National Liberation Front, by Miguel F. Rovira; date, place not given]

[Excerpt] [passage omitted] [Rovira] General Dien, almost a year has gone by since the signing of the peace treaty. Has peace really come to Cambodia?

[Dien] Look, this has not yet been achieved. However, we do have a fervent desire to achieve it. This is why we are cooperating completely with UNTAC [United Nations Transitional Authorityin Cambodia]. Only UNTAC can bring total peace to Cambodia.

[Rovira] How do you judge your country's present political situation?

[Dien] I am a soldier, not a politician. From my viewpoint, national reconciliation must be set above partisan interests.

[Rovira] What is your opinion of Prince Sihanouk's work as chief of state and president of the Supreme National Council?

[Dien] Positive. Prince Sihanouk has shown himself to be politically neutral. He is one of the people best acquainted with the complexities of Cambodia's always bewildering political situation.

[Rovira] Is the Khmer Rouge the only obstacle to the process, or are there others?

[Dien] It is a mistake to argue that the Khmer Rouge is the only problem in implementing the peace program. Other equally, or even more, serious problems still remain to be resolved.

[Rovira] The Khmer Rouge set as one of its preconditions for continuing the disarmament phase the dismantling of the Phnom Penh government and the transfer of its present powers to the Supreme National Council. What is the Khmer People's National Liberation Front [KPNLF] position?

[Dien] If UNTAC correctly implements what has been agreed, and on that basis monitors the ministries, and especially the security ministry, the KPNLF will be satisfied.

[Rovira] What kind of action should UNTAC take in response to the Khmer Rouge noncooperation?

[Dien] Despite the fact that some countries seem to favor taking vigorous measures, the United Nations cannot do anything against the Khmer Rouge except to use dialogue and diplomacy.

[Rovira] Would the KPNLF agree to disarm 70 percent of its troops even though the Khmer Rouge refuses to follow the peace plan?

[Dien] The KPNLF could have joined the game of the other factions by delaying demobilization and disarmament, and in this way we would implicitly have displayed our support for the Khmer Rouge actions.

[Rovira] KPNLF Chairman Son Sann has said that there are over a million Vietnamese living in Cambodia. Furthermore, the Khmer Rouge's Khieu Samphan says that there are still Vietnamese troops hiding in the country. Do the KPNLF armed forces have well-founded evidence of the presence of Vietnamese troops in Cambodia?

[Dien] I dismiss the possibility of there being any Vietnamese combat units in Cambodia. Perhaps they may be found along the border between the two countries. Be that as it may, this is a task that UNTAC must perform with the utmost urgency.

Sihanouk, Son Sann Election Win Advocated

BK0109072192 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 1 Sep 92

[Political commentary: "Leaders Who Are Trusted by the Cambodian People"]

[Text] Following the demise of the brutal Khmer Rouge regime, the Cambodian people had hoped that they would escape the communist regime and return to a regime of happiness and prosperity the way it was in the era of His Royal Highness [HRH] Prince Norodom Sihanouk. However, their hope was immediately dashed when they realized that the regime brought by Vietnam is also a communist regime, and particularly when they clearly realized the intention of Vietnam in chasing out the Khmer Rouge. It is like outside bandits robbing local thieves.

The Cambodian people agreed to set up resistance movements. Some went out searching for resistance groups despite the fact that at that time they did not even know the exact location of resistance fighters. At that time, they knew by word of mouth that various resistance movements would be under the leadership of HRH Prince Norodom Sihanouk and His Excellency [H.E.] Son Sann. This news spread nationwide causing the communists, who are Vietnam's puppets, to arrest and imprison those suspected of serving the resistance movements or Sereika.

After 13 years of struggle, the Cambodian people have finally almost reached their destination. After the forthcoming elections, the Cambodian people hope that HRH Prince Norodom Sihanouk will receive support from the overwhelming majority of the Cambodian people in the presidential election and that H.E. Son Sann, through the support of the Cambodian people for his Buddhist Liberal Democratic Party, will receive overwhelming support in the election to choose a party to lead the government.

On behalf of the Cambodian people, we express wholehearted support for and welcome the two top leaders of Cambodia, namely HRH Prince Norodom Sihanouk and H.E. Son Sann, who used to lead Cambodia through war in neighboring countries toward economic and social prosperity and progress in the 1960's. We always hope that under the leadership of HRH Prince Norodom Sihanouk and H.E. Son Sann, Cambodia will return to prosperity and glory with democracy.

Sihanouk Grants Audience to Chea Sim 28 Aug

BK3008140292 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 30 Aug 92

[Text] At 0730 on 28 August at Khemarin Palace, His Excellency [H.E.] Chea Sim, chairman of the Cambodian People's Party [CPP] Central Committee, National Assembly, and National Council of the Kampuchean United Front for National Construction and Defense, was received in audience by His Royal Highness [HRH] Prince Norodom Sihanouk, head of state and chairman of the Supreme National Council of Cambodia. H.E. Chea Sim profoundly thanked HRH Prince Norodom Sihanouk for having granted the audience and briefed the prince on the outcome of his trip to Singapore, saying that the visit had improved the good relations between Cambodia and Singapore.

HRH Prince Norodom Sihanouk was very happy. He praised the CPP for its leadership in implementing the Paris peace accord, stressing that this is evidence of the CPP's goodwill to bring about genuine peace for the Cambodian people.

Sihanouk Addresses Volunteer Repatriate Refugees

BK3108073192 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 31 Aug 92

[Speech by Prince Norodom Sihanouk at 28 August ceremony in Phnom Penh to welcome the 100,000th repatriated refugee—recorded]

[Text] Respected His Excellency [H.E.] Yasushi Akashi, beloved H.E. Vieira de Mello, excellencies, ladies, gentlemen, misses, and children, grandchildren, and great grandchildren, the most beloved compatriots of your prince father, grandfather, and great-grandfzther.

Today I am most happy to be able to personally welcome my beloved children, grandchildren, and great-grandchildren who have voluntarily and patriotically returned to the Cambodian motherland, to rejoin the Cambodian community and serve the nation as citizens of an independent country enjoying rights and liberties equal to everyone else. This is possible thanks to the good service and benevolence of the UN High Commissioner for Refugees—HCR—with H.E. Vieira de Mello present here as the eminent representative.

I take this opportunity also to especially thank the Kingdom of Thailand and other friendly countries such as Malaysia and Indonesia for assisting my children, grandchildren, and great-grandchildren and allowing them to live peacefully for years in their countries.

Dear children, grandchildren, and great-grandchildren. Since the signing of the historic peace accords in Paris on 23 October 1991 our Cambodian motherland has recovered peace and national unity along with independence and neutrality. At the same time, our country has agreed to pursue a multi-party liberal democratic regime and a free-market economic system. The transitional authority of the United Nations known as UNTAC under the eminent leadership of H.E. Yasushi Akashi, special envoy of H.E. Butrus Butrus Ghali, UN secretary-general; many eminent representatives of friendly countries; various agencies of the United Nations; the International Committee of the Red Cross [ICRC]; the non-governmental organizations; and so on have most actively, charitably, and generously helped us rehabilitate and rebuild Cambodia for the superior interests of Cambodia and Cambodians. However, over the past decades our country has been through two wars and a period of extreme miseries. The most painful events of the past 21 years have left Cambodia with serious wounds and scars we cannot heal within a short time. Only by struggling persistently and making all kinds of sacrifice can we bring reconciliation and harmony back to our national community.

I—your prince father, grandfather, and great-grandfather—would like to express most sincere admiration from the bottom of my heart to all my most beloved children, grandchildren, and great-grandchildren. With a high sense of courage and patriotism, they have volunteered to return to the motherland, knowing well that they will experience some hardships and complications in their living conditions. It is in this way that we will have enough people to serve, rehabilitate, and rebuild our country so that it can quickly free itself from backwardness and advance toward becoming an honorable, dignified country among the independent countries of the world.

I would like to inform my beloved children, grandchildren, and great-grandchildren that H.E. Butrus Butrus Ghali, UN secretary general; H.E. Yasushi Akashi, head of UNTAC; various friendly countries; the HCR with Madame Sadako Okada as head represented by H.E. Vieira de Mello, well known for his generosity, kindness, and great expertise, and his many outstanding colleagues whom you know well and for whom you reserve great affection and esteem because they have spared no efforts—physical, intellectual, or material—for the refugees; the ICRC; various UN agencies; and various humanitarian organizations which I would like to thank wholeheartedly; the Cambodian authorities and agencies responsible for refugee affairs, especially administration leaders and some ministries concerned, such as the Railway Department of the State of Cambodia and the State of Cambodia itself; and the Supreme National

Council of Cambodia are doing everything possible to help you improve your living conditions and to protect and guide you in solving your assorted problems. However, it is true that international aid and support remains in short supply and has failed to entirely solve all the problems for all of you, my children, grandchildren, and great-grandchildren, as we would like. To solve all these problems, you must try hard and join hands with us in our arduous work. As for the international and national communities, they will surely spare no efforts and will fulfill all their obligations for you, dear children, grandchildren, and great-grandchildren.

In conclusion, I would like to inform those of you who have just returned that I have brought 20 crates of canned sausages for you, and I wish all of you, my beloved children, grandchildren, and great-grandchildren, successes and all four Buddhist blessings. Thank you.

Indonesia

PRC Construction Minister Urges Cooperation

BK2908143692 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 29 Aug 92

[Text] Following his meeting with Vice President Sudharmono at South Merdeka Palace [Vice Presidential Palace] in Jakarta today, PRC Minister of Construction Hoe Jie said that his country is exploring ways to cooperate with Indonesia in the field of construction services. This is a part of the efforts to enhance bilateral relations.

Minister Hoe Jie said that Vice President Sudharmono had noted that cooperation in construction activities between PRC and Indonesia is important because it caters for the needs and interests of the peoples in the two countries. Adding that the vice president also said that although Sino-Indonesian relations had been normalized for only two years, bilateral economic and trade ties had grown rapidly.

The PRC and Indonesia are two developing countries that are facing similar problems.

Accompanying the Chinese minister on the occasion, Public Works Minister Rudinal Mokhtar said that the two countries will send technical teams to each other's country to get a clearer picture on ways to promote mutual cooperation in the field of contruction.

Iranian President Hopes for Increased Cooperation

BK0209091392 Jakarta ANTARA in English 0542 GMT 2 Sep 92

[Text] Jakarta, Sept 2 (ANTARa)—The president of the Islamic Republic of Iran, 'Ali Akbar Hashemi-Rafsanjani, has said that his country wants to increase trade and investment cooperation with Indonesia.

"A joint Indonesian-Iranian trade commission will meet in Teheran next October to discuss enhancement of trade and investment," said Indonesian Minister of Trade Arifin Siregar here on Tuesday night when he attended a dinner party hosted by President Suharto for the leaders of the Nonaligned Movement (NAM).

The desire to enhance economic cooperation with Indonesia was announced by the Iranian president at a meeting with Trade Minister Arifin Siregar on Monday, August 31.

According to Arifin, the joint commission will not only discuss trade cooperation, but also the enhancement of investment and technical cooperation aid between Indonesia and Iran.

Enhancement of Indonesian-Iranian economic cooperation is an example of the realisation of the South-South cooperation to which NAM aspires, Arifin said.

Arifin said that a variety of commodities from Indonesia could be exported to Iran, including paper, furniture and cables.

An Indonesian cable manufacturing company is currently tendering for the export of cables to Iran, the trade minister said.

"We must not depend on one trade block but rather diversify the destinations of our exports and our export commodities," he said.

The dinner party for the heads of state and government from the NAM countries was held in the assembly hall of the Jakarta Convention Centre.

Minister on France-Japan Plutonium Shipment

BK0109072292 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 31 Aug 92

[Text] Emil Salim, minister of state for population and environment, says that Indonesia, Malaysia, Singapore, and the Philippines must take the risk factor into account in dealing with the shipment of plutonium by the Japanese ship Akashi Maru from France to Japan. Speaking after a plenary session of the House of Representatives regarding a draft bill on building design in Jakarta today, the minister of state for population and environment said that Indonesia, Malaysia, Singapore, and the Philippines were discussing the matter in order to adopt a united stand.

Meanwhile, the Indonesian Environment Group said in a news release that the plutonium transported by the old Akashi Maru ship contains very dangerous and poisonous radioactive substances. In view of the danger, Asia-Pacific countries should decide to reject the presence of the ship.

Egypt's Musa Delivers Mubarak Message to Suharto

NC0209112192 Cairo MENA in Arabic 1036 GMT 2 Sep 92

[Excerpt] Jakarta, 2 Sep (MENA)—Indonesian President Suharto received a written message from President Husni Mubarak when he received Foreign Minister 'Amr Musa today.

Afterward, Musa said the message includes certain ideas relating to the Nonaligned Movement [NAM] and to regional and international developments. He added that the message voices Egyptian support for Indonesia in its NAM chairmanship and touches on bilateral relations and the need to bolster them in various fields. [passage omitted]

Laos

Kaysone Interviewed on Upcoming NAM Summit

BK0109073592 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 1 Sep 92

[Interview with Kaysone Phomvihan, president of the Lao People's Democratic Republic, by unidentified correspondent on the 10th summit of the Nonaligned Movement to be held in Jakarta between 1 and 6 September 1992—place and date not given; read by announcer]

[Text] [Correspondent] Your Excellency, from 1 to 6 September 1992, the Nonaligned Movement [NAM] summit will be convened in Jakarta, Indonesia. Are there any issues directly related to your country that will be raised for discussion at the summit?

[Kaysone] The NAM is a vitally influential political grouping with an internationally important role. At its 10th summit in Jakarta, the capital of the Republic of Indonesia, from 1 to 6 September 1992, the NAM will discuss many international and regional issues, including those on Southeast Asia that are directly related to our country. Nonetheless, I also consider other issues to be important, such as the movement's new role in the new era in the struggle for peace and international security, the safeguarding of national independence and sovereignty, equitable economic cooperation, environmental protection and development, the roles of the United Nations, and the conflicts in many regions around the world.

[Correspondent] In parallel with the end of the cold war, a line of thinking has emerged among both Western and some NAM member countries that the NAM has lost its relevance and that in light of this, a new movement must be formed to preserve this group. What is your view on this issue?

[Kaysone] Since its founding in 1961, the NAM has firmly adhered to its principles and goals: to defend the independence and sovereignty of developing countries, to fight for peace and international security, to abolish neocolonialism and racism—apartheid in particular, to achieve peaceful coexistence among all nations, to settle all problems and conflicts through peaceful means, to respect the right of all nations to determine one's destiny, to refrain from interfering in other countries' internal affairs, to promote development in developing countries, and so forth. In the light of the international situation that changes so rapidly and in a complex manner, where new opportunities and hopes still exist alongside numerous problems and conflicts, it is clear that all NAM principles and goals remain relevant. I believe that on the basis of the said principles and goals, the NAM will be able to continue to efficiently implement its legitimate tasks. That is why I do not agree with the thinking that it has lost its relevance, that its name should be changed, and that it should be merged with the Group of 77.

[Correspondent] Your Excellency, do you think membership in the NAM is still useful? In other words, what will you gain from continued membership?

[Kaysone] As I said earlier, the principles and goals of the movement remain relevant. No matter how much the international situation may change, its relevance remains because they conform to the interests of developing countries. Through its active activities to fulfill its goals of struggle, the NAM has had numerous important achievements and has been greatly beneficial to its member countries including ours. The movement has become internationally prominent as an important contributor to solving numerous world and regional problems. Appreciating the benefits it has received, the Lao People's Democratic Republic will continue to participate in its activities and contribute to consolidating and strengthening its role.

[Correspondent] If I do not misunderstand, many NAM member countries are also UN members. Nonetheless, it appears that in the past year, these member countries have not played any significant role in the UN. Does this mean the NAM member countries lack close solidarity at the UN or are there any reasons for this?

[Kaysone] Most of the NAM members are also UN members. In this important forum, the NAM member countries have waged a struggle to attain their fine goals of peace, national independence, international security, equitable share of international trade and economic cooperation to ensure the interests for all parties concerned, cooperation in various fields for development, and so forth. The NAM can be said to have played a considerably important role in adopting various UN resolutions. In the future, I think this organization's members will consult with one another to improve coordination in carrying out their activities in the UN arena more efficiently.

[Correspondent] The NAM is composed of countries in Asia and Africa as well as many small and poor developing countries in Europe. Is this reality the NAM's ideal condition? Is the NAM capable of accepting developed countries as members, such as the United States?

[Kaysone] The NAM has been founded with the aim of safeguarding and protecting the just rights and interests of its member countries which are all developing countries. But these rights and interests have always been violated or exploited by the developed countries. This means that the movement has not yet been able to attain its goals. Because of this, the NAM must continue adhering to its principles and fundamental goals and strengthening solidarity and cooperation so as to safeguard their legitimate interests.

[Correspondent] Before the disintegration of the Soviet Union, the NAM positioned itself between the Soviet Union and the United States. After the disintegration of the Soviet Union, is there any power having effects on the struggle of the NAM?

[Kaysone] The NAM does not depend on any particular superpower nor does it position itself between the superpowers. It will never allow itself to be dominated or dictated to by any superpower. Based on this spirit, the NAM will continue its struggle to attain its goals.

[Correspondent] Remaining as NAM members are three communist countries—Cuba, North Korea, and Vietnam. What is your opinion, Your Excellency, on the presence of these countries in the NAM? Is the NAM opposed to it or does it have anything to do with the ideologies of these member countries?

[Kaysone] The NAM has the clear-cut goals of struggle and principles for its activities. Any countries agreeing with these principles can join the movement as members regardless of the differences in their political systems. This is a principle adhered to by the movement for a long time with the aim of strengthening the solidarity and unification within the NAM itself.

[Correspondent] Some circles noted that the NAM should shift its political weight to the development of its economic strength. In the present, the economic relations among the NAM member countries have not been developed to a certain satisfactory level. Why? Is it because the economies of all these countries are dependent on the economies of the developed countries?

[Kaysone] The NAM has attached much importance to economic cooperation among the developing countries with a view to allowing them to help one another in bringing about progress and development to socioeconomic development among them and to create power in conducting negotiations with the developed countries. In the past, the NAM and the developing countries have cooperated with one another in many fields. Such cooperation is not so profound and extensive as it should be, however. Therefore, at all meetings, especially the ministerial-level conference on South-South cooperation held in Pyongyang, we also discussed this matter and unanimously agreed that we must make efforts to resolve the issue because it is related to the movement's own interests.

[Correspondent] Do you, Your Excellency, have any advice for the NAM member countries in improving their economic development?

[Kaysone] The economic development for each country depends on its own special characteristics and reality. I hold that the exchange of experience among the NAM member countries is necessary and beneficial to the developing countries. At the same time, efficient forms and methods of cooperation should be explored for promoting the socioeconomic development of the developing countries to become more progressive and to develop further.

[Correspondent] In the future, Indonesia will become chairman of the NAM. What is your view and feeling toward this development?

[Kaysone] I am overwhelmingly happy to know that Indonesia will assume NAM chairmanship. In addition to being one of the five cofounders of the movement, Indonesia is also another country playing important roles in the international arena. It is also respected by the NAM member countries. The most important thing is that Indonesia remain steadfast and firmly adheres to the ideals of the movement, that is to safeguard the rights and interests of the poor and backward developing countries.

Editorial on Opening of 10th NAM Summit

BK0109115992 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 1 Sep 92

[Unattributed editorial: "Adhere to the Principles of Resolutely Struggling To Attain Goals"]

[Text] Respected listeners, the 10th summit of the Nonaligned Movement [NAM] will open in Jakarta, Indonesia, today, 1 September 1992, and will continue until 6 September. This is a major world event of special significance to the political life of the movement. The NAM summit is convening under the conditions where the world situation is changing in a rapid and complicated manner in which many new opportunities and conflicts have emerged. The summit participants will discuss many issues regarding international relations, problems in many world regions, and the situation in Southeast Asia to which Laos is directly related. Then they will discuss the role of the movement as well as its new directions in struggling for peace and international security, safeguarding national independence and sovereignty, securing equitability in economic relations and cooperation, protecting the environment, developing the role of the United Nations, and solving regional conflicts around the world.

As is well known, since its founding in 1961 the NAM has incessantly grown bigger and has continually developed. At the first summit, only 25 countries joined the movement as members. By 1992, a total of 105 countries have become members. Over the past 30 years, though encountering numerous obstacles caused by subversive activities consistently carried out by hostile forces, the

NAM has adamantly continued its legitimate and just tasks. The principles and goals defined by the NAM in the initial stage were to safeguard the independence and sovereignty of the developing countries, to fight for peace and international security, to eliminate colonialism and racism, to struggle to attain peaceful coexistence among nations, to settle all problems and conflicts through peaceful means, to respect the rights to self-determination of all countries, to refrain from interfering in other countries' internal affairs, to promote development in the developing countries, and so forth. The spirit and value of all these NAM principles and goals remain relevant.

Amid its energetic activities, the NAM has made achievements in many areas, bringing numerous great new benefits to its members and acting as a strong and just voice contributing to deciding many world and regional problems. The various NAM member countries represented at the United Nations have also actively struggled to fulfill the movement's fine goals at the international body and have played a considerably important role in endorsing various UN resolutions.

At a time when the international situation is still changing in a rather complicated fashion in which difficulties, favorable conditions, hopes, and new opportunities are prevailing and while the world has still been plagued with numerous problems and conflicts, the NAM's initial principles and goals must be maintained. All views advocating that the NAM has totally lost its relevancy and that the movement should change its name or should be affiliated with other groupings do not conform to the current reality. This is because the NAM was established with the aim of safegarding and preserving the just rights and interests of its members. Most of the NAM members are developing countries whose rights and interests are still being violated and exploited by the developed countries. This shows that the NAM has as yet been unable to reach its goals. That is why it is necessary for the grouping to continue to firmly adhere to its basic principles and goals and to maintain closer cooperation and unity so as to safeguard its own legitimate interests.

The situation where the world was dominated by two major rival powers has already changed and has been replaced by one of emerging multinational groupings. Under such circumstances, in which direction will the NAM be heading? This is another issue that will be debated at this NAM summit. The stand of the Lao People's Democratic Republic [LPDR] toward this issue is very explicit. In his interview on the NAM, LPDR President Kaysone Phomvihan said: The NAM is dependent on no particular super power but remains neutral among them. It will not allow any super powers to dominate it or dictate to it. Only by adhering to this spirit will the NAM be able to continue fighting to fulfill its goals. The world's current trend is tilting toward detente, peaceful coexistence, mutual cooperation for development, and the emergence of regionalism and (?subregionalism) to resolve various issues, particularly economic problems. This development calls for the NAM summit to express a voice in unison with assessing the world situation and reviewing its past activities so that it will be able to maintain unification in implementing the new directions and engaging in activities in the new situation. The NAM must reemphasize its roles and stand. It is necessary for the movement to increase its solidarity and with unity to hold aloft the banner in struggling for peace, national independence and sovereignty, and development.

The NAM's most important present and future responsibilities are to promote cooperation [passage indistinct] economic development, to ensure that all its member countries march forward and fight together to build a new world order, to do away with inequality, and to regain its right of mastership in managing its own resources.

Indonesian President Suharto once stated that we would not allow North-South relations to be permeated with an atmosphere of rivalry. These relations should continue along the spirit of building a world of increased equality, prosperity, and modernization for all nations and individuals.

As a long-time NAM member, the LPDR has at all times contributed to the implementation of the principles and the fulfillment of the goals of the NAM. [passage indistinct]

Philippines

Manila Willing To Renegotiate Treaty With U.S.

HK0209025692 Quezon City MALAYA in English 2 Sep 92 p 3

[By Carlito Pablo]

[Text] The Philippines is willing to renegotiate with the United States a new treaty of friendship and cooperation but which will leave out security arrangements, Foreign Secretary Roberto Romulo said yesterday.

"If it would be the most meaningful vehicle to improve relations between the two countries, why not?" Romulo said.

Romulo, who is meeting with new U.S. Ambassador to Manila Richard Solomon today, said the new treaty should focus on trade and economic matters.

The Senate rejected last year a proposed treaty of friendship, cooperation and security which would have given the U.S. continued military basing privileges.

A study prepared by the Department of Foreign Affairs on RP [Republic of the Philippines]-U.S. relations recommended that any security arrangements, including the possible grant of access to military bases for American troops be included in the review of the 1951 RP-U.S. Mutual Defense Treaty [MDT].

The study also recommended the possible negotiation and conclusion of a treaty of friendship and cooperation.

Romulo said: "The objective is to improve mutual relations on a complementary basis."

Solomon, in the July 8 hearing of the House Asian Affairs Committee, said the MDT remains relevant despite the end of U.S. basing arrangements in the Philippines.

Solomon also reiterated that the U.S. will continue to maintain its "forward presence" in Asia and the Pacific through diversified security arrangements.

Local Economists Comment on Effects of NAFTA

HK0109090092 Quezon City MALAYA in English 22 Aug 92 p 2

[By Noel Bartolome]

[Text] Mexico has all the reasons to smile these days. Last week, it struck a victorious deal with the U.S. and Canada when the three countries signed the North American Free Trade Agreement (NAFTA) which would enable them to trade among themselves without passing through the high tariff walls they have each erected to block the easy entry of foreign goods and services to their shores. The formation of the three-nation economic bloc is being taken to mean by Asians, particularly Filipinos that henceforth North American investments will be confined to NAFTA's boundaries with the trickles going to either Europe or Asia.

"The world is not just the U.S. or Mexico. What is important is that we should be in place in the fastest growing market in the world which is East Asia," says Ponciano Intal, president of the government think-tank Philippine Institute for Development Studies (PIDS). He rejects the idea of NAFTA creating serious dislocation in the Philippine economy. "We are scaring ourselves needlessly about this thing. I do not think there is a need to fear the rise of an American (economic) fortress. What happened in Europe this year did not affect us, either," Intal says referring to the enlarged European community and the declaration of independence of the former Soviet states. For instance, Intal says, markets closer to the Philippines such as Asia's economic tigers (Singapore, Hong Kong, Taiwan and South Korea) and the four other members of the Association of Southeast Asian Nations (Asean), together with Vietnam are a rich source of investments with the region's 600 million people spread over 11 countries.

Bernardo Villegas, Center for Research and Communication (CRC) chief economist, says the Philippines, together with the Asean, is the nucleus of a market that is emerging to be one of the world's most important.

The problem, however, is whether the Philippines is "culturally ready" for East Asia, says Intal. "Our mindset is in the West—North America. We have not established the necessary cultural linkage with China, with Vietnam or Korea. For Filipinos, East Asia remains inscrutable."

Villegas says there is always a cultural dimension to markets and products. "What might sell in the U.S. may not sell in Japan. We have to capture and deal with this tactile experience of culture to penetrate the markets of East Asia."

Intal says Filipinos have long been internationalists in a Western sense, finding facility in imitating Italian or Scandinavian designs in their shoe or furniture exports. "It is time we put that virtue in the context of collective Eastern experience," notes Intal.

The emergence of regionalism in trade has also forced the Philippines to consider serious tariff reforms. The creation of NAFTA, which still needs the congressional approval of the legislatures of the U.S., Canada and Mexico before it can be enforced, is expected to spark a debate on how far the country should go in its present policy of dismantling all barriers to free trade. So far, the Manila government has liberalized all exchange transactions, allowed the importation of previously restricted products and legislated an attractive foreign investment law. Still, the remaining barriers to free trade remain high and formidable as big business continues to block efforts to open up the Philippine market.

The average duty imposed on imports remains at a high of 15 percent of their home value which has made the price of raw materials exhorbitantly high.

Edsel Custodio, director of the Bureau of Foreign Trade, says the Philippines may need to start looking for fresh markets in other parts of the world if local exporters cannot compete with Mexico. "The U.S. is certainly going to be a tougher market to crack now," he stresses. Mexico exports garments, electronics, car parts, processed food and semi-conductors, which are also our top exports to the U.S. Custodio sees Mexico as a formidable rival in attracting investments not only from Canada and the U.S., but also from Japan, Korea and Taiwan who want to penetrate the vast North American market through the backdoor.

Businessmen from these East Asian countries have set up companies in the Philippines to be able to take advantage of the general system of preference the U.S. accords to the country. Now they can enjoy what comes close to such status for their goods if they locate in Mexico.

Under NAFTA, tariff walls for all goods flowing within the signatory countries would be removed completely within 10 years. In textiles, for instance, the U.S. and Mexico have agreed to phase out immediately all quotas for such products. Carla Hills, U.S. trade representative said that NAFTA is the first international trade agreement to eliminate quotas on textiles and apparel.

Just how substantially NAFTA would affect exports and investment inflows to the Philippines remains unquantified. Custodio complains that not much information has filtered out from the negotiation among the three NAFTA countries. In a meeting in Bangkok a few weeks ago, Asean representatives complained to a U.S. trade

official of this non-transparency of the negotiations. "We might actually be facing trade barriers," he says.

Custodio notes that he is particularly worried about the rules of origin incorporated in the agreement. For instance, if the U.S. requires 50 percent local content for Canadian exports, the Canadians may have to integrate a higher level of local content into their produce and that could squeeze out Philippine-based firms which produce the same parts.

Furthermore, if the local content requirement becomes unreasonably high, joint-venture companies like EDS, a Cavite-based wire harness manufacturer, may decide to go back to Mexico where it was originally located, Custodio points out.

The Philippines is particularly vulnerable to any tightening of the U.S. market. The U.S. accounts for around 30 percent of the country's annual exports which last year amounted to $3.143 billion. Imports from the U.S. were placed at $2.426 billion, giving the country its only significant trade surplus with its other trading partners.

While the Philippines' GSP [General System of Preference] status provides some sort of cushion (it is not subject for renegotiation until 1994 yet), the threat of diminishing access to the U.S. market is there. Philippine goods enjoying GSP status account for only 20 percent of total exports to the U.S.

Erlinda Medalla, another economic analyst, says the Philippines could try hedging now by studying how to penetrate the Mexican market as an entry point to the U.S. There is much room for improvement in this area, she adds.

Trade between Mexico and the Philippines remains a pittance. The country exported $13.212 million worth of goods to Mexico last year against imports of only $7.294 million.

The country's leading exports to Mexico consist of copra oil, garments, shoes, chromium ores, semi-conductor devices and furniture pieces. Mexico delivered cotton, semi-finished products, non-alloy steel and semi-finished iron products, zinc, and typewriters.

"We can only fight back if we remain competitive," says Intal. A world fragmented by trading blocs, he notes, brings even greater pressure on the country to manufacture products that could compete on the international market.

For his part, Central Bank Governor Jose Cuisia Jr. says the country is poised to further liberalize trade and investments. Efforts to lower or even abolish the country's tariff walls, have created strong opposition from big businessmen, however.

Raul Concepcion, president of Concepcion Industries, fears a collapse of his air-conditioning business if imported sets are allowed to freely enter into the country. An entrenched elite continue to demand privileges they do not deserve, says Willy Ortaliz, president of Private Investment and Trade Opportunities Philippines (PITOP).

Concepcion says his products could not possibly compete on the world market because of the imperfect business environment they have to face at home, like rising costs of materials, labor and power.

The Philippines hopes to further cut its tariffs under the ambit of the Asean Free Trade Agreement (Afta) scheduled to be implemented next year. Under a regional trade arrangement, the country is expected to benefit from the reciprocal reduction of tariffs on goods moving within the region. As proposed, tariff rates would be cut in the next 15 years to a maximum of 5 percent.

The Philippines admits it is not ready to compete at those levels, and was in fact, hesitant to support Afta, illustrating the country's lack of self-confidence.

For instance, Manila together with Jakarta, made a decalage [as published] by seeking to delay the implementation of tariff cuts on certain industries from five to seven years.

Intal blames the country's failure to develop an export-oriented economy on the restrictive policies it had taken in the past.

Polyester imports, for instance, are slapped a tariff of 50 percent to protect the local manufacturers whose inferior products have resulted in the manufacture of lower-quality garments, Intal claims.

Filsyn Corporation, which controlled the polyester market, was eventually forced to go on a joint venture with Taiwanese partners when the tariff rate for polyester was reduced, Intal recalls. Now, he says it is even trying to go into exports.

The momentum for liberalization always has to confront the realities of the entrenched elites, hwoever.

Nobel prize winners Paul Samuelson and German economist Wolfgang Stolzer formulated the economic theorem that probably best describes the Philippine situation; those who stand to gain most from trade protection are usually the owners of the scarce factor of production while the ones who lose the most and therefore gain from trade liberalization are owners of the abundant factor of production.

Intal says that in a developing country like the Philippines, capital is scarce and labor abundant. Hence, trade protection in developing countries has favored capitalists and penalized laborers. "This explains in part the wide inequality of income distribution in developing countries. Because it involves trade liberalization, economic openness favors laborers and labor-intensive industries, thereby reducing income inequality and poverty," said Intal.

"Greed" is the more succinct explanation offered by Ortaliz for the Philippines' failure to become a more efficient bastion for production. The government has all these years collaborated with big businessmen to protect them from competition, he says.

House concurrent Resolution No. 3, which grants total and unconditional amnesty to leftist and rightist elements who have applied for amnesty under the government's rebel returnee program (Executive Order 350), was passed "in its entirely and without any amendments," Ermita said.

Ermita was confident that the measure, authored by Speaker Jose de Venecia Jr. and supported by the 155 members of the ruling coalition in the House, would not be opposed by the opposition Laban ng Demokratikong Pilipino [Struggle of Filipino Democrats].

Government, Rebels Agree on Peace Negotiations

HK0209070092 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 2 Sep 92

[Italicized passage in English]

[Text] Government representatives and exiled communist leaders in the Netherlands have agreed to recommend the holding of formal peace negotiations to solve the country's 23-year insurgency. The agreement was announced after two days of exploratory talks. The accord was signed by Congressman Jose Yap, President Ramos' emissary, and Luis Jalandoni, National Democratic Front [NDF] vice chairman.

The talks were in line with President Ramos' efforts to forge a political solution with the NDF, the political faction of the Communist Party of the Philippines and the New People's Army [NPA].

Under the agreement, the issues to be discussed include human rights, international human law, socio-economic reforms, political and constitutional reforms, the dismantling of all armed units from both the government and the rebellion, and the end to all fighting.

Here in Manila, the signing of the agreement at The Hague was praised by various sectors.

Senator Wigberto Tanada, Senate Peace Committee chairman, said the results of the exploratory talks gave new hope for the peace negotiations. He said those involved in the talks should learn from the mistakes of earlier peace talks, however. Tanada made this statement on a television program this morning.

[Begin Tanada recording] It seems that there is now a process being followed during the exploratory talks. In the end, it seems that a joint-communique was reached, and formal bilateral talks are to follow. That is good. Now, they only need to clarify the agendas to be discussed. [end recording]

On his part, NDF leader Satur Ocampo, who was released only yesterday [1 September], said that all groups involved in the peace talks during the past administration should be held responsible for the failure of those earlier discussions.

[Begin Ocampo recording] The so-called mind set that prevailed at that time with the Armed Forces of the Philippines [AFP] and Defense Department was that leftists were all dangerous and evil. So it is understandable that the defense secretary, at that time, tried to sabotage the peace talks. We think that the same goes for the AFP.

The government was also not ready, at that time, to enter into any serious peace discussions. Everything happened so fast. Forces of the communist movement did not even know how to approach the new alternative that was presented them. [end recording]

In the same television program, Romeo Padiernos, AFP Civil Relations chief, said the communique's inking was an auspicious sign. He also clarified Defense Secretary Renato de Villa's rejection of the proposed cease-fire with the rebels:

[Begin Padiernos recording] In an area in Esperanza, Agusan [del Sur], where around 100 NPA rebels attacked a barrio and enslaved the citizens there. We cannot allow them [the rebels] to hurt our people. *I think there is no personal....* [end recording]

Thailand

Air Force, Ministries Vie for THAI Chairmanship

BK3108024192 Bangkok THE NATION in English 31 Aug 92 pp A1-A2

[Text] The Air Force, indicating that it wants to maintain its traditional hold on Thai Airways International (THAI), stepped up pressure yesterday for Air Force chief ACM [Air Chief Marshal] Kan Phimanthip to take over the chairmanship of the national carrier.

In response to recent government moves to install a professional team in top management positions at the airline, a group of 50 to 60 pilots and other Air Force men working at THAI gathered at Kan's residence yesterday and called for him to be awarded the chairmanship.

The Air Force chief, in his first comment on the controversy, declared that he would do his best to develop THAI if he was selected chairman.

"I once informed Communications Minister Nukun [Prachuapmoh] I was considering myself [for the job as THAI chairman]. He told me that I had to work for the development of Thai Airways International.

"This is a commitment that I cannot avoid. I do not care about any positions in THAI but if I am selected THAI chairman, I will work to the best of my ability for THAI," ACM Kan said.

THAI is due to hold another extraordinary shareholders' meeting on Sept 7 to approve a new board of directors after ACM Kan derailed deliberation on the new board at a meeting last week.

He said the decision needed approval from the Commerce Ministry.

Kan broke up the meeting despite a ruling from Attorney General Komain Phataraphirom, that the shareholders' session was empowered to decide on the new board.

The group of Air Force men comprising members of the THAI Pilots Club and THAI technical staff officers presented Kan with followers and expressed their support for him to be chairman.

Kan replied that the Air Force and Thai Airways International have a longstanding relationship.

The Air Force has provided assistance to THAI in all aspects such as supplying technical staff, pilots and man power to manage THAI, he said.

"Though the technology now is much advanced, men from the Air Force can still help THAI," he said.

He also noted the need for changes in the way THAI is managed, however.

"It is likely that professionals are needed to run THAI.

"Thus, every one of you has to accept it because it is unavoidable and you must realize that whoever your boss is you have to work with him efficiently."

Kan said he accepted that changes were necessary if THAI was to grow but he added that if they did not work THAI might have to return to the present management system one day.

Kan also demonstrated his support for ACM Wira Kitchathon who is battling to keep his position as THAI president.

Kan said that Wira, who has held the job for three to four years was the most suitable person because he understood THAI's problems well.

"The appointment of the new THAI president will depend on the Finance Ministry as it is THAI's major shareholder.

"It will decide whether ACM Wira's name should be proposed as a member of the board," he said.

Sources said a list of new board members drawn up by the Transport and Communications and Finance Ministry officials had excluded ACM Wira from the 11-man board of directors.

This was a move which has caused resentment among Air Force officials.

ACM Wira has been criticized for "incompetent" handling of aviation business affairs and held responsible for the growing control of vested interests over the airline.

A reliable source told THE NATION that the Finance and Transport Ministries had agreed to submit a list of preferred board members at the shareholder's meeting next week.

This includes three financial experts: Wichit Suphinit and Ekamon Kiriwat, top executives of Bank of Thailand and Pin Chakkaphak, president of Finance One Ltd.

The other THAI board members are Pandit Bunyapana, permanent secretary of the Finance Ministry; Manat Liwiraphan, director general of the Comptroller-General's Department; Mahidon Chantrangjum, permanent secretary of Transport and Communications Ministry; and Rungrot Sriprasoetsuk, director-general of the Aviation Department.

The rest of the 11-man board is made up by Attorney General Komain, ACM Kan Phimanthip, ACM Samat Sodsatit, Air Force chief of Staff, and Manot Pomphibun, the deputy managing director of the Airports Authority of Thailand.

Political observers said the possibility of Kan taking over the chairmanship appear dim as most members of the board are not from the Air Force and would be unlikely to vote for him.

"It is unlikely that ACM Kan will become THAI chairman and also that ACM Wira will be able to keep the THAI presidency.

"Because, otherwise it would mean there is no hope for THAI to become a professionally-managed airline.

"At this point, it also indicates that the Air Force is not going to give up easily its control over THAI," they said.

The source noted that Nukun might take some action soon in response to the Air Force's resistance to the loss of its influence over THAI.

He added that the technical department of THAI, which is controlled by the Air Force, has been told to slow down its work in order to increase pressure for Kan to be given the chairmanship.

He added that Nukun and Kan reportedly came to an agreement that the ministry would not interfere in the restructuring of the Airport Authority of Thailand, another agency long dominated by the Air Force.

In return, Kan pledged not to resist the ministry's moves to revamp the THAI management.

Brokers said THAI's share price which has slumped to between Bt [Thai baht] 50 and Bt55, is unlikely to perform any better until there are solid indications of major changes in the national carrier.

Anan Intervenes To Settle Dispute

BK0209022192 Bangkok BANGKOK POST in English 2 Sep 92 p 1, 3

[Text] Anan Panyarachun yesterday intervened to settle the dispute between the Air Force and the Finance and Transport and Communications ministries over the appointment of a new board of directors at Thai Airways International (THAI).

Transport and Communications Minister Nukun Prachuapmot said the Prime Minister had endorsed an agreement reached yesterday that permanent finance secretary Bandit Bunyapana will succeed Air Force Commander-in-Chief Kan Phimanthip as chairman of the board.

THAI president Wira Kitchathon would be given the new position of adviser to the chairman until his retirement next year and THAI executive vice-president Chatchai Bunya-anan will succeed him as president, Mr Nukun said.

The prime minister also reportedly demanded that that THAI call a shareholders' meeting for next Monday to appoint a new board.

The meeting might be invalid since it would violate Stock Exchange of Thailand (SET) regulations, however.

SET yesterday demanded in a letter to THAI that it abide by SET regulations.

Although THAI has not closed its book of shareholder registration, it has decided that only shareholders who were on the company's book by yesterday have the right to attend next Monday's meeting. "Therefore, THAI will have to inform the SET of the meeting at least 14 days in advance," the letter said.

But after Mr Anan's intervention, a SET executive who asked not to be named said that THAI could go ahead with the meeting because the national carrier had not closed its book.

Emerging from an hour-long meeting, Mr Anan said all parties concerned had agreed to give priority to the natiional interest and the interests of a about 200,000 small shareholders in THAI.

Those at the meeting included ACM [Air Chief Marshal] Kan, ACM Wira, Defence Minister Gen Banchop Bunnak, Mr Nukun and Mr Bandit.

Mr Anan said ACM Kan and ACM Wira received full cooperation at the meeting and would honour the agreements reached.

The prime minister did not say what agreements were reached, but said the two had approved the shareholders meeting set for next Monday, at which a new THAI board will be appointed.

Everything will be done according to procedure and settled peacefully, he said.

ACM Kan did not mind being replaced as chairman, he said, but the new board will have a representative from the Air Force.

It is necessary for THAI to retain close relations with the Air Force, he said.

The THAI president will be decided at next Monday's meeting and this was approved by ACM Wira, the prime minister said.

He asked reporters to be patient and optimistic about the agreement.

At THAI's last meeting on August 26, Manat Liwiraphan, representing the the Finance Ministry as the major sharer in THAI, proposed the appointment of of a new board.

ACM Wira claimed last week that he had been forced to resign as president of THAI, but that he had later changed his mind and would fight to keep the post.

Mr Nukun later accused ACM Wira of having no credilbility and criticised him for going to the press with his claim.

After yesterday's meeting with the prime minister, ACM Wira reportedly returned to THAI headquarters and requested 15 days' leave.

Mr Chatchai met later with Mr Bandit at the Finance Ministry.

Mr Bandit said afterwards that they had discussed the agenda for next Monday's meeting.

Representatives from the private sector may be appointed to the THAI board, Mr Bandit said.

He did not know if he would be named board chairman, he said, adding that it was up to the shareholders and the board.

Meanwhile, ACM Kan said all the problems have been cleared up and the meeting would go ahead as planned next Monday.

"Everything is all right," he said.

ACM Wira also said he had reached an understanding with the prime minister.

"There is no problem now," he said.

Asked whether he will remain as THAI president, he said this was not the problem.

Anan Denies Conflict Over Military Reshuffle

BK0109142992 Bangkok Army Television Channel 5 in Thai 1230 GMT 31 Aug 92

[Text] Prime Minister Anan Panyarachun has rejected the report on the conflict between the defense minister and army commander over the annual military reshuffle. Speaking to reporters at Government House this afternoon, the prime minister refused to say whether or not he has received the reshuffle list from the defense minister.

[Begin recording] [Anan] It is not final yet.

[Unidentified reporter] It was reported that you have to mediate the conflict over the military reshuffle.

[Anan] That is untrue.

[Reporter] You summoned the army commander....

[Anan, interrupting] If you believe everything you read in the newspapers, you will, I say, suffer neurosis.

[Reporter] There is no conflict between the army commander and defense minister?

[Anan] No. [end recording]

The prime minister is scheduled to inspect preparations for the general election in the nearby provinces and to visit Khao Yai National Park, which has been closed to the public since late last year.

Vietnam

Hanoi Protests PRC Detention of Ships

BK0109165792 Hong Kong AFP in English 1512 GMT 1 Sep 92

[Text] Hanoi, Sept 1 (AFP)—Hanoi has protested to China over the detention of Vietnamese ships carrying goods from Hong Kong to Vietnam over the past five weeks, it was stated here Tuesday.

A Foreign Ministry spokesman said the boats had been seized in the straits of Quynh Chau north of the Chinese island of Hainan.

Hong Kong maritime sources have reported that 14 Vietnamese merchant vessels have been seized close to the colony's territorial waters by the Chinese, who suspected them of smuggling luxury goods from Hong Kong to China via Vietnam.

The Vietnamese spokesman said China's actions did not conform to international maritime navigation laws, to normalised Sino-Vietnamese relations, or to cooperation between the two countries' shipping fleets.

Hanoi and Beijing normalised their relations last November and since then have concluded several cooperation agreements, including some covering maritime affairs.

Several Vietnamese boats have been released but others are still being held, said the spokesman who added that the goods aboard had not been returned to Vietnam.

Contacts were continuing between the two countries to try to settle the affair amicably, he said.

Rally To Mark National Day Held in Hanoi

BK0109132892 Hanoi Voice of Vietnam in English 1000 GMT 1 Sep 92

[Report with portions recorded on a rally in Hanoi, attended by SRV leaders, on the afternoon of 1 September to mark the 47th anniversary of the August 1945 Revolution]

[Excerpts] These days our friends throughout the world are turning their eyes to Vietnam and joining their voices with the Vietnamese people on their 47th National Day.

For the past 47 years, under the clearsighted leadership of the Communist Party of Vietnam [CPV], the Vietnamese people have recorded wonderful achievements, liberating and reunifying the country and building the nation to make it a powerful and prosperous one, as pointed out by Mr. Pham The Duyet, Political Bureau member and secretary of the Hanoi party committee, at a meeting here in Hanoi on Tuesday [1 September] to mark the 47th National Day.

[Begin Pham The Duyet recording in Vietnamese, fading into English translation] On the 47th anniversary of the August Revolution and National Day, the Hanoi people are very happy to note the new achievements that the process of renovation has brought about in the city. The people of Hanoi, together with the entire Vietnamese people, have overcome countless difficulties and trials in order to successfully carry out the cause of renovation, contributing to building a peaceful, beautiful, independent, democratic, and prosperous Vietnam, advancing toward the path of socialism chosen by Uncle Ho, the party, and the people. [end recording]

Present at the meeting were party General Secretary Do Muoi, Premier Vo Van Kiet, adviser to the Party Central Committee Pham Van Dong, and other senior party and state officials. Also present were members of the diplomatic corps in Hanoi and Vietnamese and foreign newsmen.

In his speech at the meeting, Premier Vo Van Kiet pointed out the historic significance of the August Revolution. He also highlighted the achievements recorded by the Vietnamese people over the past 47 years and the initial success in the renovation process. [passage omitted]

After pointing out the difficulties and advantages of the Vietnamese Revolution in the current situation, Premier Vo Van Kiet laid stress on the immediate tasks for the Vietnamese nation. He said: Those tasks are to control and check inflation; mobilize all sources of capital; accelerate trade and investment in development; help different sectors with economic, cultural, and social developments; expand external economic relations; increase export turnover; and establish order in state management and economic and social management. [passage omitted]

Premier Vo Van Kiet pointed out that the Vietnamese party and state want to broaden and diversify the nation's foreign relations based on the principles of

Sweeping statements, but they just might be good to start creating an environment conducive to reforms. As former economic planning secretary Gerardo Sicat concluded in a study: "The Philippines cannot afford to dilly-dally any further and be caught unaware by world events. Otherwise, their repercussions will hurt the country even more and leave it at the tail-end of its more dynamic Asian neighbors."

Ramos Not To Suspend Offensive Against Rebels

HK0109032792 Manila THE CHRONICLE in English 1 Sep 92 p 1

[By Booma Cruz and Elizabeth Perez—italicized passages published in Tagalog]

[Text] Justice Secretary Franklin Drilon suffered a new rebuff yesterday when President Ramos indicated he was not inclined to take up his suggestion for the suspension of all offensive military operations against communist rebels.

Mr. Ramos appeared to be taking the side of his defense secretary, Renato de Villa, who is opposed to a unilateral cease-fire on grounds that a similar move during the previous administration only led to numerous violations by the rebels.

Drilon and de Villa have taken contradictory views on the possibility of a cease-fire, which had been originally suggested by some members of Congress and cause-oriented groups as a "confidence-building" step in the government's peace initiative.

"I am open to that (unilateral cease-fire)*but that depends on the results of* discussions on the issue. There are many agencies involved here *not only* Drilon," Mr. Ramos told reporters in an ambush interview after his weekly televised press conference at Malacanang.

He said his final decision would depend on the recommendation of the National Unification Commission (NUC), which is yet to be created, although Mr. Ramos has appointed both de Vill and Drilon to be the government's representatives in the panel.

Echoing de Villa's stand, Mr. Ramos said "cease-fires have a way of being broken."

"We have had that experience during the 60 days from December 1986 and January 1987. We have also experience during the short, we call it, cessation of military hostilities during Christmas and Holy Week in the past which have also been violated," he added.

The president stressed that his government was more interested in achieving enduring peace, not just a cease-fire.

Supporting further de Villa's thinking on the issue, Mr. Ramos said his government had already taken a "risk" by granting temporary freedom to five top communist leaders and 16 right-wing rebel soldiers.

Mr. Ramos said another proof of his sincerity was the exploratory talks being conducted in the Netherlands between a government team led by the Rep. [Representative] Jose Yap and communist leaders Jose Maria Sison and Luis Jalandoni.

In a separate interview, de Villa denied he and Drilon were on a "collision course" over the cease-fire issue.

"*What I said* is we cannot disengage (military operations) *and Frank referred to the possibility of a cease-fire. They are totally different. But both of us agreed that this depends on the NUC. The terms are tricky, so we appear to be in conflict*, but this is not true," he said.

Drilon had suffered a rebuff a few weeks ago when Mr. Ramos refused to heed his warning about alleged excessive powers being granted to National Security Adviser Jose Almonte.

Drilon won support in his latest cause from 11 senators, however, who signed a resolution urging Mr. Ramos to immediately suspend military offensives not only against leftists but also against rightist and secessionist rebels.

Liberal Party Sen. [Senator] Wigberto Tanada, who filed the resolution, said a full blown cease-fire was necessary for a "willful and vigorous process of national reconciliation, unity and renewal."

Tanada's proposal was echoed by 10 senators—Rodolfo Biazon, Leticia Shahani, Agapito Aquino, Orlando Mercado, Raul Roco, Anna Dominiqe Coseteng, Vicente Sotto III, Heherson Alvarez, Santanina Rasul and Ramon Revilla.

At the House of Representatives, the committee on national defense and security approved a concurrent resolution granting total and unconditional amnesty for 4,500 rebels, as well as a bill seeking to repeal the Anti-Subversion Law.

The measures hurdled the committee level with uncharacteristic speed, the defense committee having been organized last Thursday [27 August] only, and committee chairman Rep. Yap still in the Netherlands for talks with leftist leaders.

Committee vice chairman Eduardo Ermita expressed optimism that the two bills would be formally approved by the 200-member legislature by Thursday [3 September], Congress' last working day before it goes on a three-week recess.

"Considering that the amnesty issue has been discussed before on the floor, it should not take long before the bills are approved," Ermita, a retired Army general and former defense undersecretary, said.

respect for each other's independence, sovereignty, and territorial integrity, and non-interference in each other's internal affairs, equality, and mutual benefit. [Words indistinct], Vietnam has pledged to follow a policy of solving all current issues through peaceful negotiations among the parties concerned on the condition that any bilateral agreement should not be detrimental to the interests of other sides.

Premier Vo Van Kiet reiterated Vietnam's policy of befriending all countries in the world community and of striving for peace, independence, and development. It is Vietnam's statement to the whole world and with its concrete deeds, Vietnam has been trying to fulfill its commitment.

The meeting ended in music and a song: "As if Uncle Ho were with Us on Our Day of Victory," expressing the confidence of the entire Vietnamese people in the socialist path chartered for the nation by the party and the late President Ho Chi Minh, and also determining the will of the entire army and people to materialize the late President's wishes to build a powerful, prosperous, and civilized socialist Vietnam.

Vo Van Kiet's Speech Reported

BK0109161192 Hanoi VNA in English
1434 GMT 1 Sep 92

[Quotation marks as received]

[Text] Hanoi VNA Sept. 1st—"Vietnam wants to be friend of all nations in the world and to strive together for peace, independence and development". Chairman Vo Van Kiet reiterated that solemn commitment at a grand meeting here this afternoon at the Ba Dinh Conference Hall to celebrate the 47th National Day (Sept.2.).

The Vietnamese premier said:

"The August Revolution is the greatest in Vietnam's modern history. It is the uprising of an entire nation from the north to the south, from the mountain regions to the plains, from the countryside to the towns, after nearly a century of colonial and feudal brutal oppression to regain national independence and the people's right to life and freedom and the pursuit of happiness.

The August Revolution and the birth of the Democratic Republic of Vietnam ushered in a period of very and struggle marked by very glorious victories in the millenary history of the Vietnamese nation. [sentence as received]

The Vietnamese people accepted the price they had to pay during the two resistance wars in exchange for the priceless gain which is independence and freedom of the nation, the right to choose the path to progress, and human conscience, dignity and honour.

The glorious victories of the August Revolution and the two wars of resistance of our people for independence and freedom were significant contributions to speeding up the national liberation movement in the colonial countries and the common struggle of the world's people for peace, national independence, democracy and social progress".

Premier Vo Van Kiet went on:

"The achievements recorded by our people in many fields in the recent years of renovation have testified to the party's sound policy and proved that our revolution is steadily moving ahead in accordance with the Vietnam tradition and character. Realities happening in all parts of the country prove that we have the necessary capabilities and determination to stand firm and go forward in building Vietnam into a prosperous, strong and civilized socialist country.

Our biggest challenge at present is that we start form a low level of economic development at a time when the economic race in the world has become very (?turbulent). In addition, our national construction and defence has to cope with achivities of the hostile forces which are plotting to sabotage the stability and hinder the advance of our country.

On the other hand, we also have many strengths and favourable conditions which are creating a major opportunity for development. Our country is an independent and unified state, our people are united and endowed with a long tradition of staunch and indomitable struggle, industriousness, intelligence, creativeness and humanism.

We have many advantages in human and natural resources, in geographicl position and in market potentials. Building on the present sweeping scientific and technological revolution and the fast expanding international communications and also on the position of our country which lies in a most dynamic economic zone of the world, we can assimilate and creatively apply foreign experience to make our country progress quickly.

The socio-economic situation is opening bright prospects for the comprehensive overfulfilment of the 1992 state plan. That is an important basis and a very favourable condition for the implementation of the 1993 [state plan], and the fulfilment and even overfulfilment of the objectives for 1995 laid down by the party's 7th congress.

In the new situation, let our entire party, entire army and people closely combine the tasks of economic development with those of national defence and security, firmly build an all-people national defence closely associated with all-people security, raise the quality of the armed forces, carry to success the task of defending the independence, sovereignty, territorial intergrity, land, airspace, territorial waters and islands of the fatherland.

In the practical conditions of our country and the world's situation to broaden and raise the efficiency of external activities bears an extremely important significance. In the recent past the relations between our country and other countries and international organizations, particulary neighbouring countries and those in Southeast Asia, have been broadened in many respects. We will continue our foreign policy aimed at implementing well

the task of consolidationg peace, broadening our friendly and cooperative relations, first of all with countries in the region, and creating favourable international conditions to step up our renovation, building and defending our homeland, thus actively contributing to the world people's common struggle for peace, national independence, democracy and social progress.

Our party and state advocate broadening, diversifying and multilaterising relations with all countries on the principle of respecting each other's independence, sovereignty and territorial integrity, non-interference into each other's internal affairs, equality and mutual benefit. Now as in the past we consistently hold that the outstanding issues must be solved by peaceful negotiation between two parties as well as among many parties and we stand by the principle that the agreements between two parties must not harm the interests of other parties.

We will actively broaden our external economic relations in order to gain more capital, technology and mangerial experiences from foreign countries with a view to best exploiting our potentialities and existing advantages. At the same time, we shall take appropriate measures to reserve and develop the fine traditions and character of the national culture, to ensure our security, protect our natural resources and environment, prevent and restrict to the lowest level all possible negative developments.

The commemoration meeting was attended by Do Muoi, general secretary of the Communist Party of Vietnam Central Committee, Pham Van Dong, advisor to the Communist Party of Vietnam Central Committee and many other high officials of the party and state and the Vietnam Fatherland Front.

Also attending the function were ambassadors and other diplomatic representatives, representatives of international organizations and foreign guests in Hanoi.

NHAN DAN Editorial Cited

BK0209073792 Hanoi VNA in English 0645 GMT 2 Sep 92

[All quotation marks as received]

[Text] Hanoi VNA Sept. 2—NHAN DAN today runs an editorial titled "The State of the People, by the People and for the People" to mark the 47th national day of Vietnam—September 2, 1945, when it declared independence from colonialism. The paper says: "Under the leadership of the Indochinese Communist Party, the Vietnamese people successfully carried out the August revolution (August 19, 1945), seizing power and gaining independence for Vietnam, and ushering in a new life for the nation. Today 47 years ago, President Ho Chi Minh read the proclamation of independence, officially founding the Democratic Republic of Vietnam (the Socialist Republic of Vietnam today). A new-type state of Vietnam resulting from the success of the revolution has since then united the entire people to overcome all difficulties and hardships to safeguard the national independence of the country. It is now guiding the people to cope with challenges in the current process of renovation to go ahead. "Our state, developing from a people's democratic state to a socialist one and being always a state of the people, has succeeded in mobilizing the masses to join in the wars of resistance for national liberation in the past as well as in the socialist construction at present. The 1992 Constitution of Vietnam also reaffirms that the state of the Socialist Republic of Vietnam is a state of the people, by the people, and for the people."

"Such a state," the paper says, "must be under the leadership of the party, which, for its part, must also be renovated in its contents as well as modes of activities in order to raise the quality and effectiveness of its leadership to bring into full play the role and power of the state and mass organisations to build a dynamic and effective political system.

"In the process of renovation," the paper continues, "the state apparatus must be streamlined to raise the effectiveness of the socioeconomic management, build a socialist democracy, enforce law, maintain discipline, security and social order, and perfect systems of different branches of activities in order to do away with negative phenomena to help the state stand firm and successfully manage the country."

"Above-mentioned are objectives of the party and state and also aspirations of the entire people who wish to see the state has enough prestige and capability to manage the country to fruitfully implement the resolution of the seventh party congress and other resolutions of the party Central Committee for political stabilisation, socio-economic stabilisation and development to rapidly get out of the economic crisis to gradually make the people wealthy and the country strong on the path towards socialism," the paper concludes.

Army Paper Praises All-Army Youth Congress

BK0109114192 Hanoi Voice of Vietnam Network in Vietnamese 2330 GMT 26 Aug 92

[QUAN DOI NHAN DAN 27 Augus' editorial: "Outstandingly Carrying on the Revolutionary Undertaking of Youths of the Previous Generation, Youths in the Army Steadily Move Forward"]

[Text] The fourth all-army congress of delegates of the Ho Chi Minh Communist Youth Union [HCYU] will open today. This is an important political event of youths in our People's Armed Forces.

In an atmosphere of renovation and democracy and with a high sense of scrupulousness and responsibility, the congress will assess the real state of the army youth movement in the recent past; point out the advantages and weaknesses of youths and the causes of their weaknesses; reveal experiences of all party committee echelons in evaluating and directing the youth movement

and the activities of youth union organizations; and set forth guidelines, tasks, and struggle measures for youths in the entire army in the days ahead. The congress will also set out the prospects for effecting a fundamental change in the activities of youths in the army in the process of renovation, which is considered the most important step in preparing for the sixth national youth union congress.

The past five years, from the Third All-Army Youth Union Congress in 1987 up to the present, have been a period for youths in the army to thoroughly test their will and ability in the country's renovation process.

Faced with rapid and extremely complex changes in the world situation and a complete change in the economy—from a subsidy-based management system to a market-oriented mechanism—together with the tasks of streamlining staff personnel and readjusting force to improve the fighting strength of the army under the new situation, the past five years have been a period of trial manifesting the firmness and absolute loyalty of youths in our army to the party's renovation process.

In their training to ensure combat readiness as well as in their work and study in all parts of the country—from their units to construction sites and from border areas to offshore islands—youths in the army have defiantly and stoutly overcome all difficulties and ordeals. They have always upheld the sense of self-reliance and creativity and taken the lead in the tasks of firmly defending the country's sovereignty and territorial integrity and safeguarding the party and regime. While continuing to score outstanding achievements, youths in the army have contributed notably to the renovation process of the party and persistently followed the socialist path chosen by the party and Uncle Ho, thus upholding their revolutionary nature and glorious tradition.

The past five years have also seen an obvious change in the awareness and sense of responsibility of these youths in terms of training. Discipline among troops has undergone vigorous changes and the image of Uncle Ho's soldiers in the renovation process has inspired the people's confidence. Through their work, study, and actual combat and combat-support activities, youths in the army have illustrated the tradition of the youths of the previous generation, thus making it possible for them to gradually advance and develop themselves.

Over the past five years, from 1987 to 1992, as many as 138,875 new members have been admitted to the youth union while 73,947 outstanding members of the youth union have been admitted to the party. On 26 March 1991, youths in the army were awarded the Ho Chi Minh Order by the party and state.

Apart from affirming the obvious advantages of youths in the army, with a spirit of renovation and a high sense of responsibility, the congress will point out the existing shortcomings and weaknesses of the youth movement and youths themselves.

Based on the common view of youth union congresses at the grass-roots level, one of the causes of these shortcomings is the failure of many leading and commanding cadres to truly pay attention to the youth movement. Meanwhile, the youth movement itself still operates without initiative, creativity, and the power of attraction and, particularly, not in conformity with the vivid reality of renovation. A relatively large number of youths have failed to truly nurse fond aspirations or beautiful dreams. A certain number of them have allowed their quality to be impaired and have exposed many weaknesses in training or advanced training, thus adversely affecting the noble title of Uncle Ho's soldier.

A crucial point and also an important topic to be discussed at the congress is the need to determine the educational responsibility of the communist school to the task of cultivating ideals in youths. The process of renovation is imposing a sacred mission on youths. That is to take the lead in the struggle to defend the country, safeguard the party and regime, and build and advance the country on the socialist path.

Faced with the present world situation, youths must understand clearly that the path of advancement of the renovation process is still rife with difficulties and ordeals. Of these difficulties and ordeals, some are old and some are new but they all require experiment and intensive study. To youths, nothing is more important than to fight for that glorious cause in combination with the aspiration to make contributions to the renovation process, defend and develop a prosperous and beautiful socialist regime, and bring about a happy life for every youth.

It is necessary to determine responsibilities for youths so that they will strive to train themselves; develop their advantages and adjust their shortcomings; constantly enhance their ideal consciousness and revolutionary zeal; and demonstrate courage, creativity, and enthusiasm along with maintaining strict discipline in training as well as in their study and work. This is aimed at making them worthy of the noble title of Uncle Ho's soldier, as well as of being the most outstanding element of youths in the entire country.

To effectively make contributions and undergo training, youths must belong to a strong, dynamic, and creative organization. The most important topic to be discussed at this congress is the need for the youth union to change its operational contents and methods in a way that is in conformity with realities in the process of renovation to attract all youths, while fulfilling its functions of managing and educating them. Changing its operational contents and methods along with consolidating its organizational structure and arranging the contigent of its cadres must be considered as the most essential factor. This factor must be summed up into lessons from vivid realities at the grass-roots level.

Apart from the concern, responsibility, and care of leading and commanding cadres at all levels, the examples and guidance of those of the previous generation are indispensable conditions for youths and teenagers to follow.

At present, when the process of renovation is still rife with difficulties and complexities, we place complete confidence in our youths. It is necessary for those of the previous generations, as well as leading and commanding cadres, to exhibit examples in all aspects of life and truly pay attention to creating all favorable conditions for youths to carry out their activities in accordance with the spirit of Resolution No. 25 of the party Central Committee Political Bureau. This will certainly be one of the most important factors that effects new changes in the youth movement in the army.

Sharing the honor and responsibility with the outstanding delegates to the congress, youths in all army units are launching an emulation movement to score magnificent achievements in all fields—training, study, and work—to mark the anniversary of the 19 August revolution and 2 September national day and welcome the all- army youth union congress.

With a spirit of true renovation and democracy, we are waiting for the fine results of the congress, thus creating a turning point in the process of renovation for the youth movement in the army.

Australia

Fiji Prime Minister Rabuka Continues Visit

Meets Prime Minister, Defense Minister

BK0109100992 Melbourne Radio Australia in English 0500 GMT 1 Sep 92

[Text] Fiji's Prime Minister Sitiveni Rabuka has been accorded a formal welcome by the Australian Government in a ceremony in front of Parliament House in Canberra. Mr. Rabuka was given an artillery salute, and he inspected a guard of honor. He then went in for an hour of talks with the Australian prime minister, Paul Keating. This was followed by a lunch hosted by Mr. Keating.

Before the formal welcome, Mr. Rabuka had a separate meeting with Australia's defense minister, Robert Ray. The Fiji leader had talks yesterday with Australia's foreign minister, Gareth Evans.

Australia is seeking further details of Mr. Rabuka's plans for national reconciliation and a review of Fiji's racially weighted constitution. The talks are also covering the resumption of military relations, which were cut after Fiji's two coups in 1987.

Keating Cites 'Fully Normalized' Ties

BK0109100292 Melbourne Radio Australia in English 0800 GMT 1 Sep 92

[Text] Australia says its relations with Fiji have been fully normalized. The prime minister, Paul Keating, said Australia had been impressed with the conciliatory statements made by his Fiji counterpart, Sitiveni Rabuka, who is currently on his first official visit.

Mr. Keating was speaking at a lunch in Canberra for Mr. Rabuka following an hour of talks between the two prime ministers. Mr. Keating said Australia was greatly encouraged by Mr. Rabuka's assurances that he would maintain dialogue with all communities in Fiji and expand political participation. The prime minister also said Australia looked forward to working with Fiji once more to strengthen the security of the region.

Fiji Rejoins Patrol Program

BK0109101192 Melbourne Radio Australia in English 0803 GMT 1 Sep 92

[From the program "International Report"]

[Excerpts] Australia's relations with Sitiveni Rabuka came full circle today with an artillery salute and a military guard of honor. The military strongman, who staged Fiji's two coups in 1987, was in Canberra being welcomed in front of Parliament House as a civilian prime minister. And as Greame Dobell reports both Australia and Fiji are eager to move on from the differences of the last five years.

[Begin recording] [passage omitted] [Dobell] Prime Minister Keating was moving on from Australia's past attacks on Fiji's racially biased constitution. Mr. Keating said Australia was greatly encouraged by Mr. Rabuka's assurances that he would seek national reconciliation and expand the chances for political participation.

[Keating] Your prime ministership marks, we think, a new beginning in Fiji's political life and with that a new hope that accompanies a renewal of representative and responsible government. It also marks the beginning of a new phase in our own relation, relations between the two of us. Relations between Australia and Fiji have been fully normalized following our meeting in Honiara last July. The final step in the process was our agreement to resume defense links.

[Dobell] Mr. Rabuka asked if Fiji could now rejoin Australia's Pacific patrol boat program, a program (?which was cut off) after the coups. He said Fiji would like three of the Australian-built boats to guard its 200-mile economic zone. They would compliment the Israeli-built patrol boats Fiji bought after being pushed out of the original Australian program. Mr. Keating said Australia was agreeable to Fiji joining the program but the first production run of 15 boats has been finished and delivered to other South Pacific island states. Australia will look at reopening the program and Defense Minister Robert Ray will hold detailed discussions when he visits Suva next month. The reopening of defense links will be marked by the resumption of Australian maritime surveillance flights over Fiji waters later this month and an Australian Navy ship visit to Suva next month. [end recording]

S. Australian Premier Resigns Over Bank Rescue

BK0109100492 Melbourne Radio Australia in English 0500 GMT 1 Sep 92

[Text] South Australia's premier since 1982, John Bannon, has resigned. The move follows criticism of his government's handling of the State Bank of South Australia.

The Labor Government was forced to inject more than $3 billion to prop up the bank. Mr. Bannon today accepted responsibility for the bank's losses and said he was resigning to maintain political stability in South Australia. His deputy, Don Hopgood, will also stand aside. Their replacements will be elected at a meeting of South Australian labor parliamentarians on Thursday.

Mr. Bannon was also the national president of the Australian Labor Party from 1988 until 1991.

Fiji

President Penaia Ganilau Rushed to Hospital

LD0109105692 Wellington Radio New Zealand International in English 0900 GMT 1 Sep 92

[Text] Fiji's President Ratu Sir Penaia Ganilau was rushed to hospital in Suva this evening by ambulance. Ratu Sir Penaia, who received medical treatment at the Walter Reed Hospital in Washington earlier this year, is expected to be flown to the United States tomorrow. Fiji's former prime minister, Ratu Sir Kamisese Mara, will act as president.